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YEARS OF TUMULT

THE WORLD SINCE 1918

A MAP OF
EUROPE
SHOWING INTERNATIONAL BOUNDARIES BEFORE AND AFTER THE WORLD WAR
EXPLANATION
INTERNATIONAL BOUNDARIES, 1913
NEW BOUNDARIES, 1932
Shaded Areas indicate Independent New States, created since 1913
0 100 200 300 400 500 MILES
ARCTIC OCEAN
ATLANTIC OCEAN
NORTH SEA
MEDITERRANEAN SEA
BLACK SEA
CASPIAN SEA
UNION OF SOCIALIST SOVIET REPUBLICS
SIBERIA
RUSSIA
ICELAND (Danish)
FAROE IS.
SHETLAND IS.
SCOTLAND
IRELAND
WALES
ENGLAND
ENGLISH CHANNEL
NORWAY
SWEDEN
FINLAND
GULF OF BOTHNIA
BALTIC SEA
DENMARK
POLISH CORRIDOR
EAST PRUSSIA
LATVIA
LITHUANIA
ESTHONIA
LADOGA
WHITE SEA
GERMANY
POLAND
CZECHOSLOVAKIA
AUSTRIA
HUNGARY
RUMANIA
BULGARIA
SERBIA
ALBANIA
GREECE
TURKEY
CRIMEA
SEA OF AZOV
GEORGIA
ARMENIA
AZERBAIJAN
DAGHESTAN
FRANCE
SPAIN
PORTUGAL
ITALY
SARDINIA
CORSICA
SICILY
CRETE
CYPRUS
BELGIUM
HOLLAND
LUXEMBURG
SAAR BASIN
SWITZERLAND
JUGO-SLAVIA
ADRIATIC SEA
TYRRHENIAN SEA
BALEARIC IS.
Bergen
Christiania (Oslo)
Stockholm
Helsingfors
St. Petersburg (Stalingrad)
Ekaterinburg
Moscow
Minsk
Kiev
Warsaw
Lemberg
Bothenburg
Copenhagen
Hamburg
Berlin
Amsterdam
London
Dublin
Edinburgh
Liverpool
Brussels
Cologne
Havre
Paris
Stuttgart
Vienna
Budapest
Berne
Bordeaux
Lyon
Venice
Trieste
Genoa
Marseilles
Rome
Naples
Durazzo
Belgrade
Bucharest
Sofia
Constantinople (Istanbul)
Gallipoli
Salonika
Athens
Odessa
Astrakhan
Baku
Batum
Corunna
Oporto
Lisbon
Madrid
Barcelona
Valencia
Cadiz
Gibraltar
AFRICA

JAMES·H·POWERS

Years of Tumult

THE WORLD SINCE 1918

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TO ANNE

Whose Patience and Affection
Accompanied me on this Journey

SPIRIT OF THE YEARS: *"Open and chant the page*
Thou'st lately writ, that sums these happenings
In brief reminder of their instant points
Slighted by us amid our converse here."

72510

Hardy: THE DYNASTS

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PREFACE

THIS book is written with the hope that some of the immense confusion created in the public mind by the pell-mell of events during 1931 may be dispersed by a plain narrative, sketching the major developments of the world drama since the signing of the Treaty of Versailles. Few of the dilemmas confronting us fail to clarify, once the chain of cause and effect is laid bare; indeed, it has seemed to the writer that only by new scrutiny of the post-war story, year by year, can the nature of such dilemmas be grasped. Any understanding of the present plight of the world must depend, first and directly, upon refreshed acquaintance with the trends that have produced it.

Accordingly an attempt is here made to outline the backgrounds from which the Treaty of Versailles emerged, to depict the foregrounds of revolutionary disturbance which the Treaty encountered, and to set forth the basic changes in world condition and attitude, especially in social thought, which the artificers of the Treaty, unhappily, ignored or dismissed. With the stage thus set, the actors enter, nation by nation, to play their several parts. The author has striven to make each of these rôles both concise and comprehensive in all important and relevant particulars.

If the Treaty appears as the villain in the piece, this is due solely to the weight of the evidence proffered by the course of events. During approximately thirteen years given to day-by-day study and analysis of world affairs, this struggle between political negatives and human affirmatives has seemed to the writer at once one of the most fascinating as well as one of the most epochal and instructive of human episodes. If some sug-

gestion of this interest is conveyed to readers, the task of the writing will be amply justified.

No attempt will be made to include a detailed bibliography of source material. Many admirable compilations are already available. One of the best of them will be found in Benn's "Europe Since 1914". Some suggestion of sources consulted is nevertheless desirable.

The present volume is written largely from press dispatches over the period of years covered by the narrative. Such reports have been sifted carefully, compared, and checked against other sources, including official documents. Acknowledgment is made to the following publications whose foreign correspondence has been found invaluable: *The New York Times, The Baltimore Sun,* the *New York Evening Post, The Chicago Daily News,* the *Brooklyn Daily Eagle,* and *The Associated Press.* Access to the editorial files of *The Boston Globe,* covering the entire post-war period, has helped greatly in the task of recapturing the stir and color of events as well as significant details which have slipped most minds. Obligations to *The New Republic, The Nation, The New York Times Current History,* the *"Annals" of the American Academy of Social and Political Science, The Yale Review, The Atlantic Monthly,* and *Foreign Affairs* require mention. In England, *The Manchester Guardian* and *The New Statesman and Nation* have helped considerably; in France *L'Ere Nouvelle* and *Europe;* in Switzerland, the admirable *Journal de Genéve,* have all been drawn upon for material. Especial mention should be made of the excellent reports of the Foreign Policy Association and of Editorial Research Reports, Inc., of Washington, D. C.

Of books consulted only a few need be listed here. Benn's "Europe Since 1914" has already been mentioned. The various writings of John M. Keynes have been indispensable. I have also drawn upon Trevelyan's "History of England"; the writings of Gandhi, Trotsky, Stalin, and Lenin; Price's "Germany in Transition"; Coar's "The Old and the New Germany"; Myers' "The Reparations Settlement"; Nearing's "The British General Strike"; Ransome's "Russia in 1919"; Russell's "Proposed Roads to Freedom"; Williams' "The United States and

Disarmament"; the Report of the Carnegie Foundation on "Direct and Indirect Costs of the Great World War"; "The Treaty of Versailles" (published by the Government Printing Office); Gowen and Hall's "Outline History of China"; Hogue's "British Labor Speaks"; Close's "The Revolt of Asia"; Chirol's "India"; Rao and Pole's "The Problem of India"; Ross' "The Russian Soviet Republic"; Professor Fay's scholarly study of "The Origins of the World War"; and Farbman's cogent study of "The Russian Five Year Plan".

To Mr Henry W. Harris grateful acknowledgment is made for suggestions during the writing and for generous assistance in reading proof.

J. H. P.

Sudbury, Massachusetts,
January 4, 1932.

BOOK ONE

THE TREATY AND THE WORLD STAGE

1 · OVERTURE

IN mid-June, 1919, the Conference of the victorious Allies at Paris was approaching the end of its labors: the Peace Treaty—as yet nameless—which they were to impose at the point of the bayonet upon the defeated German nation, was receiving its final touches.

Its making had been a long and tedious drama. As the work had progressed amid explosive quarrels, stubborn intrigues, and a bewildering complexity of diplomatic stratagems, the ideals for defense of which half the nations of the earth and nearly two-thirds of the human race had been urged through four years and two months of prodigious slaughter had become submerged. In a harsh conflict of national interests over the Peace Table, the dominating ideas of the past had gradually achieved triumph on all major points over the facts of the present. The prevailing purpose had come to be re-establishment of the international order of pre-war days, together with the authority of its guiding ideas, making only such adjustments as were required for fulfillment of an enormous revenge upon the leader among the recent adversaries of the Allied cause.

While the statesmen at Paris were thus toiling to repatch the old world order, in many quarters of Europe the people were giving evidences of dissatisfaction with that pre-war pattern of things. "Would everything settle down now, as before," they asked, "or would everything be different, as they had been repeatedly promised?" Few were yet in position to answer the question. The making of the Treaty had been conducted in secrecy. Until the 7th of May, when the draft

of the document had been handed to a Commission representing the German Government, the world outside the Conference halls had been dependent solely upon such facts as news correspondents had managed to glean in back corridors. A censorship of extraordinary rigor held sway by decree of the Government over the whole Paris press. Following the delivery of the draft to the Germans, Allied Europe continued in its uncertainty and ignorance, excepting as howls of fury over various items in the Treaty Draft echoed from over the Rhine.

Germany's representatives had been barred from the Conference from the beginning, the purpose of the Allied leaders being to achieve agreement among themselves first. The storms of protest and argument that had been rising since the first week of May from the German Government had no more effect than had Germany's bitter invocation of the utterances of President Wilson, which had been designed originally to defeat her. The chaos and strife throughout the German Republic; the rage of the Prussian Junkers; the riotous uprisings and street battles between German Communists and the middle-class defenders of the democratic revolution; the fall and rise of Cabinets—disturbed the conferees at Paris no more than did the frantic threats of the German Government that it would refuse to sign the Treaty.

As the day set aside for the official imposition of the Treaty drew near, M Georges Clemenceau, Premier of France and President of the Peace Conference, retorted to German complaints with a scathing letter, in which the proper punishment of Germany was elevated to the realms of a philosophic conception and maintained as an economic necessity for European stabilization.

Germany was not alone in uttering protest. Deputation had followed deputation to the doors of the Conference, supplicating either a lightening of the terms that had become known, or the establishment of more equitable systems of society in their respective lands. These champions of moderation from the various sections of Allied Europe were also ignored. They expressed the views of a minority. The public opinion that

governments had assiduously lashed through every agency within their command during the years of war to assure victory on the battlefields, continued now to roar in the ears of its creators like a hurricane. It demanded vengeance, and escape from bankruptcy. It swept down every plea for leniency. And this storm of hate would go on, blocking reason, determining policy among political leaders fearful of opposing it, unchallenged and abetted by opportunism, until economics should at last step in and undertake to educate it to the implacable force of facts.

During the final days of June, not only was opposition to the passions of the crowd unheeded: the semi-official press, taking its cue from the organs of Imperialist reaction in Paris and London, bayed for even sterner rigors than those now contemplated. The Paris *Matin,* which voiced the thoughts of big business and nationalism in alliance, chose this feverish hour to impeach the competence of Premier Clemenceau. It accused him as "tainted with liberalism"; it described the as yet unpublished Treaty as "a feeble document", weakened still further "by his deplorable lack of resolution". These accusations, hurled from the redoubt occupied by Clemenceau's domestic foes on the right, added a burst of political war to the public excitement at Paris. They derived from the fact that the framers of the Treaty had made certain changes in it, in its final form, as compared with the original draft: part of the population of Silesia was to be allowed a plebiscite to determine whether it should adhere to Germany or Poland; the West frontiers of Prussia were to be shifted somewhat less than had been originally proposed; the Reparations total was to be delayed decision for the present. Other Allied demands had been added, however, to counterbalance these alterations: one of them called for the listing and trial within thirty days of all Germans accused by the victors of violation of the laws of war, and their punishment for capital crimes. Another stipulated that the cost of military pensions for Allied soldiers should be added to the indemnity bill.

While debate about these changes waxed furious, disconcerting news arrived from the United States, announcing a

rapidly growing opposition to the Treaty in the United States Senate at Washington. This threatened repudiation filled Allied Europe with "mystified despair". The outstanding organs of the press at Paris were "amazed". To the London *Times* it was all "unfathomable". The Germans, continuing in the same flair for wrong deductions which had brought them defeat and ruin in the war, hailed this omen as "a hopeful sign". Europe, wrapped up in the final act of Treaty making, failed to grasp the fact that a Presidential campaign was getting under way in the United States.

Now the fourth week of June approached, and with it came new fears of German intransigance. The din beyond the Rhine had grown. The British navy was put back on war footing to meet emergencies. The food blockade, which was being maintained by the Allied armies against the German population, was sharpened. The Belgian Peace Commissioner proposed that Germany's ill-timed obstruction should be answered by an invasion. But the force of circumstances was too formidable for the Germans: their National Assembly voted 237-148 for signing the Treaty; and, after a brief final passage at arms between the German Government and the unyielding Allied Conferees, Germany signified that she would sign the Treaty unconditionally.

So, while conservative European opinion muttered uneasily in doubt lest the event prove enforcement of the terms impossible, while radicalism exulted with sinister hopes that this document would stoke the fires of a Bolshevist European revolution, the 28th of June arrived. Exactly five years to a day after the assassination of the Archduke Ferdinand of Austria at Sarajevo which had let loose the dogs of war, the Treaty of Versailles, loaded with the dynamite of a destructive past and the dynamite of a constructive future, was ready.

2 · IN THE HALL OF MIRRORS

THE morning was cloudy, threatening rain; but throughout the French capital an atmosphere of gay festivities pervaded. At last the Treaty bringing the war to an official end was to be concluded. The long nightmare of the battlefields and the febrile uncertainties of the Armistice were alike to pass into history. The defeated were to undergo the humiliation their actions had earned them. Amends were to be made for the deep wound inflicted upon the pride of the French nation in 1870: Germany, defeated in the trenches, was now to be annihilated in the Peace.

The ceremony was set for three o'clock in the afternoon, at Versailles, in the magnificent palace where Louis XIV, the Sun King, had directed his nation and his armies in the 17th Century; where England had settled her war with the American Colonies in 1783; where Louis XVI had begun his ill-fated contest with the rising forces of the French Revolution. The selection of this setting was no accident. It was, rather, a final preliminary touch to the revenge France had prepared. For it was at the Palace of Versailles that the Prussian Army Headquarters had been established during the Franco-Prussian war of 1870; and there, on January 18, 1871, the first Imperial ruler of modern Germany had been proclaimed. In this same palace, and in the identical room—the Hall of Mirrors—which saw the birth of the German Empire, that Empire was to witness now, and seal with the names of its succession Government's plenipotentiaries, its own destruction and the expiation of its tragic follies.

During the gray forenoon of this momentous Saturday, the

credentials of the German delegation led by Dr. Herman Mueller and Dr. Johann Bell were examined and approved by the Allied Conference. Toward noon, the roads leading from Paris to Versailles were crowded by masses of people, bent upon witnessing whatever they could of the event.

Carriages, automobiles, and pedestrians swarmed past the cannon lining the hills of the Champs Élysées, where salvos were to announce the completion of the ceremonies; past the Arc de Triomphe with its guards in horizon blue bearing bayoneted rifles; out through the Bois de Boulogne to the famous pleasure palace of the Bourbons. Special trains from Paris, crowded with excursionists, followed one another at intervals of a few minutes.

Shortly after noon the sun burst through the dull pall of rain clouds that had threatened downpour. The skies began to clear. At Versailles, companies of troops formed a cordon about the palace to hold back the rapidly growing tides of humanity assurge against the barriers built for the occasion in the Place d'Armes. Republican guards, red-plumed, silver-helmeted, in uniforms of vivid red, white and blue, presented arms smartly in the Court of Honor, as the groups of envoys began to arrive.

Within the building, every corridor was under patrol and sentries guarded every door, where they busily examined the passes offered by those who were privileged to attend the ceremony.

In the great Hall of Mirrors, a hundred tables reserved for guests and representatives of the press of the world, crowded from the walls upon the space in the center, where an enormous table, shaped like a horseshoe, covered with leather, flanked on three sides by seventy-two chairs, awaited the dramatis personæ. Above the heads of the onlookers the frescoed ceilings pictured scenes of the past military glory of France. From a pedestal overlooking the eighty-foot table, a magnificent statue of Minerva, whom the Greeks had worshipped as Goddess of Wisdom, and the Romans as Goddess of War, gazed down upon the crowded scene which, save for a splash of color here and there where one of the brilliantly accoutered

French Guards was posted, was soberly devoid of the usual trappings of gold lace and pageantry effects associated with occasions of like importance in the past. Off in one corner, behind the other spectators, the writers for the German press huddled together, conversing in guttural undertones among themselves.

At 2:10 a representative of the French Foreign Office entered the room bearing the Treaty—a large document in Japan parchment festooned with innumerable fragile seals—which he laid upon the table set aside for the signing. With it were two others: a protocol, covering the changes that had been made in the original draft; and a special covenant relating to the creation of the new Polish Republic.

By this time, most of the Allied delegates had arrived, though the representatives of the "Big Four"—United States, Great Britain, France and Italy—were absent. A detachment of enlisted men from the American, British and French armies, each one of them wearing medals for bravery and stripes indicating many wounds received in battle, stirred decorous applause as its members made their way to the embrasures of the windows assigned them. At 2:20 Premier Clemenceau and the French delegation arrived at the palace. The British and Italians followed.

As the moments wore on, word came that the Chinese delegates, resentful because of the failure of the Treaty to order Japanese withdrawal from Shantung, were to boycott the ceremony. While the buzz of discussion provoked by this incident was at its height, President Wilson and his associates entered. The Allied delegations were now at hand, and the session was called to order by M Clemenceau, the President of the Conference.

The German plenipotentiaries, as befitted representatives of a vanquished power (and equally to protect them from molestation at the hands of the crowds), were brought to the palace by a separate route, which took them through the palace park to a rear door. Upon learning of the new indignities they faced, at the last moment they protested with warm indignation, and declared that they would refuse to sign the Treaty

unless they were accorded the honors customarily given the official representatives of an important nation.

After hasty conferences among the Allied officials, they were informed that full military honors would be accorded them after they had signed the Treaty, but not before, a decision to which they yielded angrily. But the cup of retribution was not yet emptied. As they entered the building they were led by back stairways to the Hall of Mirrors, where they awaited the pleasure of the Conference at a servants' door. The seats assigned them gave them for company the delegates of Liberia, Ecuador and Peru, none of which countries had played more than a microscopic part in the war.

Immediately they were seated, the President of the Conference abruptly reminded them that the Treaty awaited their signatures and its loyal fulfillment in every particular was demanded of their Government. It was now 3:10 and within three minutes the affixing of signatures began, the German delegates signing first and the Americans, led by President Wilson, following them. As the turn of the representatives of the British Government and Empire came, the second sensation occurred. Premier David Lloyd George had signed for Great Britain. Other officials had written their names on behalf of various parts of the Empire. But General Jan Christiaan Smuts, representing the Union of South Africa and famed throughout the world for his liberalism, filed with his signature a written protest against the whole tenor and spirit of the Treaty. He declared that the indemnities which the Treaty proposed to exact from Germany could not be enforced and collected without grave impairment and injury to the industrial structure of Europe; and he insisted that the true interest of the Allied Powers was to make conditions of peace which were both tolerable and within the scope of reason.

This startling dissent created a momentary uproar. There was chaotic confusion as spectators climbed upon their chairs and jostled one another in efforts to witness the incident. The dignity which it had been hoped would prevail during the ceremony was immediately further interrupted by tumultuous roars from the crowds outside, whose view of the proceedings was

being cut off by the clambering upon chairs within the windows.

Imperturbed, Premier Clemenceau now led the French delegation to the Treaty table where he affixed his name to the document as the clamor subsided. Officials of Italy and Japan then completed the signing for the major Powers, and the delegations from the minor states affiliated with the Allies in the war followed, in alphabetical order.

The ceremony of the signatures was now over. All the Allied delegates sat back in their chairs in silence. After an embarrassing pause, the German plenipotentiaries, their faces suffused with anger at this further, and unexpected humiliation, were ushered from the hall by the servants' door through which they entered it, and down the back stairs. Once more they were driven to their temporary residence by a circuitous route, but this failed to protect them from a shower of stones from patriotic crowds.

Meantime, the three Allied statesmen, Premier Clemenceau, Premier David Lloyd George and President Wilson, descended from the Hall of Mirrors to the terrace above the palace park, where massed thousands greeted them with a thunder of cheers that almost drowned out the steady booming of the cannon proclaiming the Treaty, and the drone of low flying airplanes manœuvring overhead.

The last act of the tragedy that had shaken the world during half a decade came to an end. A prescription for the resuscitation of an age that was dead had been written, even as that age was taking final passage, unnoticed, into the abysm of time, leaving behind, with the hallucination of its champions, a legacy of continuing hatreds. "The world," remarked Premier Clemenceau acutely during the final stages of this drama . . . "the world is sitting upon a powder barrel."

3 · THE WORLD THAT WAS

THE old diplomacy had made a Treaty; but no settlement. It had not settled the problem of revolutionary Russia or the problems arising from a shattered Austro-Hungarian Empire. It had avoided the problems of the Balkan inferno. It had postponed settlement with Turkey. It had outraged China by refusing settlement of her grievances against Japan over Shantung Province which Japan now held by force of arms. It had dodged the race question which its own decisions had helped to exacerbate. It had postponed settlement of the question of Reparations.

The reason for these omissions was to be found in the nature of the Conference and in the ideas which emerged to dominate it shortly after it convened. A specific and official pledge and agreement had been made between Germany and the Allied and Associated Powers, preliminary to the Peace Conference, that this Conference would be guided by President Wilson's Fourteen Points and his speeches in its decisions. These terms, on which the Germans surrendered and agreed to an Armistice, were dishonored by the Conference at Paris in nearly all major questions. President Wilson's final point, the proposal for a League of Nations, was salvaged. For "Open covenants of peace, openly arrived at", had been substituted secret dickerings. England had eliminated the demand for "freedom of the seas" before the Conference began. Instead of "the removal, as far as possible, of all economic barriers, and the establishment of an equality of trade conditions among all the nations", a host of new economic hurdles was constructed and arrangements were devised which made the

multiplication of these proceed unchecked. The "reduction of national armaments" was put off. Instead of a "free, open-minded, and absolutely impartial adjustment of all colonial claims", the Treaty reverted to the view of the old Imperialism, which regarded this problem as essentially one of dividing the spoils. The Conference had met under pledge to "evacuate all Russian territory" and to settle "all problems affecting Russia" in such ways as would insure to her, through the coöperation of the world, "an unhampered and unembarrassed opportunity for independent determination of her own political development and national policy". Instead of fulfilling that pledge, the statesmen at Paris had proceeded to wage war of intervention against Russia without the consent and knowledge of the British Parliament, in England's case, and without the authorizing declaration of war required by the American constitution, in the case of the United States. The point calling for complete evacuation of Belgium, and the fullest restoration of her devastated territories, was observed by the Treaty makers, as was also the evacuation and restoration of France and the return of Alsace-Lorraine. The readjustment of Italian frontiers "along clearly recognizable lines of nationality" failed. For "free opportunity" for "autonomous development" among the various peoples of the now defunct Austro-Hungarian Empire, the Treaty of Versailles substituted the thesis of the old diplomacy that this was a proper opportunity for a scramble for competitive national advantages; to the heroic efforts of Count Karolyi in Hungary to construct a democratic republic modelled after the United States, they paid no attention, with the result that Hungary collapsed into a Red terror of Communistic adventurings. The other chief problems of the South of Europe and of Turkey were postponed, to be dealt with in later treaties corollary to the Treaty of Versailles. In creating the Polish nation, as promised, the diplomats added to it territories which could by no possible distortion fall within their pledge that these additions must in every case be "inhabited by indisputably Polish populations", unless the intent of the Wilsonian thirteenth point was entirely destroyed.

Why was it that the Treaty of Versailles, in practically all

its sections, was thus made on a basis contradictory to almost every one of the ideas which had been accepted in advance as its foundation? The answer is to be found by comparison of the Paris Conference with the most conspicuous model preceding it in European history. That model, upon whose implications as to policy and method the whole structure of European diplomacy throughout the 19th Century rested, was the Treaty of Vienna, put together in 1815, immediately following the collapse of the Napoleonic Empire, by Metternich, the wily cynic of the Austrian Foreign Office, Talleyrand, the genius in political opportunism who represented the anxious interests of a Bourbon restoration in France, and Castlereagh, who epitomized all the alarm conservative England had experienced at the eruption of the French Revolution, and all the bitter hostility that had accumulated in the British Empire against the man from Corsica who rode that whirlwind to power as an Imperial opponent of English interests. The impress of diplomatic method left by these three 19th Century statesmen had remained upon the decades of diplomacy which followed them. It was present in the Conference at Paris a little more than a century later.

The problem to which the artificers of the Treaty of Vienna had dedicated their attention was to restore the prestige, authority and security of the old-fashioned European monarchies: to recarve the old pattern of things from the ruins of the Napoleonic adventure. They paid no attention to responsible public opinion; for there was little or none of it in evidence. Had it existed, they would have ignored it, because, in the theory of divine right which they cherished, it had no place. Their object was to turn back the hands of the clock, to restore the past as it looked to them now, in 1815, across twenty-six years of revolutionary madness which, they believed, had run its course to failure and disillusionment. The immense lassitude of the people after that generation of calamities, the war weariness and spiritual dejection that followed Waterloo, was taken by Metternich, Talleyrand and Castlereagh as an indication of the desire of Europe to usher back "the good old days" of the mid-18th Century. Kings alone could be counted

upon. Their vindication, the division of spoils, the perfection of the Holy Alliance to protect them—these marked out their task as they saw it.

Yet this conception was challenged at every step by the realities of the situation. To bring back the past, with the checks and balances of an epoch that was gone, was beyond human power, though that occurred to none of the diplomats at Vienna any more than it occurred to their royal masters. "Ideals last; but ideas hold the stage only briefly: they play their parts and pass, consuming themselves in their own evolution. Seldom do they possess power to traverse the frontiers of one epoch into another, unchanged. But men as they grow old, cling to the ideas of their youth"; and control over the destinies of Europe, for better or ill, lay in the hands of old men in 1815 in Vienna.

Men, and the institutions they had created, had changed as the storm of democratic agitation blown up by the Great French Revolution passed over them from the coasts of France to the gates of Imperial Russia. As Alexander the Great had served history in the role of agent for disseminating the ideals of Hellas throughout the ancient world, so Napoleon, sweeping along as an envoy of the new dream of democracy, had sown seed wide and far. His final betrayal of that dream had precipitated his downfall.

Even as the Peace Conference at Vienna was busy with its bootless attempts to set the past once more upon the throne, these seeds were germinating. Failure to envisage that fact proved the ultimate undoing of the Treaty of Vienna. The world that treaty's makers saw in retrospect, and the ideas animating it, were gone. Even their recollection was erroneous: that 18th Century for which they yearned as a Promised Land, never existed in the sense in which they saw it in reminiscence. The 18th Century that history revealed was a century already big with its own destruction.

So time and events now proceeded to wreck the vision of these carpenters of monarchical reaction. The explosions of 1830 in France and elsewhere in Europe were the prelude to its destruction. The spread of democratic revolt in the early

1840's, proclaimed that the seed planted by the French Revolution had sprouted. New forces were already pressing against the shell in which diplomacy at Vienna had sought to stifle them. By 1848 the shell was cracking in all directions. In 1860 and 1870 the consequences of the Treaty of Vienna were a legend written across the map of Europe in Germany, Austria, France and Italy. The powder trains leading to 1914 were already laid.

Such, in brief, was the history of the Conference of Vienna which had saturated European diplomacy with its notions and tactics. The Conference at Paris, in the Spring of 1919, followed in a parallel which, if far from complete, was nonetheless amazing in resemblances. The chain of cause and effect forged in the decades following the Vienna Treaty weighed but lightly if at all upon the minds of three of the four leaders gathered at Paris to devise a Treaty of Peace with Germany. The same general idea of a restoration of yesterday, with modifications, dogged the Conference.

The chief architects of the new Treaty were no longer young in years. M Georges Clemenceau, who presided, was nearing eighty. From the helm of the French Government, to which he had been called in the darkest hour of the war that France might be guided by his iron will out of the breakers of despair and threatening defeat, he turned now, determined to make certain in the Treaty of the revenge cherished during forty-eight years: the balance thrown against France in 1870 must be redressed. A rock ledge of a man, scarred by political battles innumerable, shaggy of brow, with features resembling hewn granite, cynical, remorseless, taciturn, behind whose disillusioned eyes burned one clear and constant memory: the humiliating hour for France when, almost half a century before, he made his debut upon the scene of public life in a nation shaken by defeat: Sedan; a beleaguered Paris racked by the Commune; the indemnity extorted by the Prussians; the theft of Alsace-Lorraine; the unforgettable trampling of his country's pride under the boots of Bismarck's armies.

Behind and below the ideas nourished by these memories was mustered another force impelling them in the same direc-

tion. To the desire to redress the past was added the compelling necessity of safeguarding the present. France, like Germany, and to a lesser extent England, had staked her financial life upon victory and a consequent transference of the enormous costs of the war to the shoulders of the defeated enemy. Now, in addition to the devastation she had suffered in her territories, she faced the possibility of financial bankruptcy. Borrowing from her own people as well as from abroad, she had tossed billions into the consuming fires of war; and though the materials and paper thus symbolized had vanished, the debt remained in interest and principal, and grew. Her national debt on July 31, 1914, had been $6,835,000,000; and at the time the Peace Conference opened, that debt stood at approximately $29,000,000,000. Unless this calamitous burden, representing in the main an indebtedness to her own public which had helped finance the war by purchasing government bonds of small denominations, could somehow be shifted to Germany, millions of French citizens faced financial ruin.

This problem, so acutely pictured in the case of France, was only in less degree an identical problem confronting her other two leading European Allies. While it reinforced M Georges Clemenceau's determination and sharpened his strategy at the Conference table, it effected a similar result in the mind of Mr. David Lloyd George, who represented Great Britain. Incidentally, it explained some of the fury of public opinion in both countries at the moment. So Clemenceau knew exactly what he was about. In every game played at the Conference, he won the rubber. His concessions were masterpieces of skill the better to perfect the certainty of the outcome he desired on all major points as France saw them. The issue was the past, and the legacy which the diplomacy of the past had created.

Mr. David Lloyd George, the Premier of England and the leader of the British delegation, came to the Conference fresh from a victory at the polls obtained through reckless promises. The Kaiser was to be hanged; Germany was to pay for the war; and there were to be "happier homes for everybody" in England. Adept, magnetic, as voluble as Clemenceau

was laconic, Lloyd George also was a veteran of politics whose hair was already whitening. By impulse moderate, he had developed almost to the point of the miraculous a gift of sensing the direction which prospective winds of public favor would take. Subordinating inclination to judgment of political advantage, pursuing opportunity with cheerful and invariable devotion, he governed his decisions at the Conference table with an eye to the solid bloc of three hundred Conservative and Imperialist votes brought into the House of Commons in the general election. The Coalition Government he headed was packed with his political enemies; and his Parliamentary supporters threatened to desert him en masse the moment he displayed zeal for less than they chose to exact from a beaten foe. Defection in that quarter would bring him tumbling from power. The demands enjoined upon him by his majority were in the time-honored formula of old Imperialistic diplomacy of the 19th Century: eliminate your strongest competitor; and obtain such division of his available assets as will insure his impotence and your own enrichment. The representative of this formula at Paris obeyed it faithfully. To conjure again the ideas of the 19th Century—that 19th Century in which British power stood unchallenged; the Empire that was, before Wilhelm Hohenzollern succumbed to dementia of grandeur under inexorable pressure of economic forces implicit in the system of things—this was the activating purpose of England's chief spokesman at Paris.

President Wilson of the United States formed the third angle of this parallelogram of forces which Baron Sonnino of Italy, a figure of lesser importance, completed. Like the others, he was no longer young; and the oppressive burdens of the most difficult office in the world, the Presidency, in which his second term was now approaching the close of the third year, had left their marks upon his health and features. Unlike his two chief collaborators at Paris, his knowledge of the intricate network of secret alliances woven by Allied chancellories during the first three years of the war was sadly deficient. With a mastery of the theory of political government, he joined an utter unfamiliarity with the realities of its European practices,

which now confronted him in the persons of two of their greatest living exponents. Both of them had dealt with the problems of Empire as governing officials; his nature was as yet unaware of the role to which circumstances had elevated it. He had mobilized the opinion of the masses throughout the world for victory, posing for them ideals which fed their courage and hope and expectation. His associates in the war had gladly used them in public, while in secret guiding policy along the well-worn roads and byways of the old diplomacy of alliances and spoils.

The pressure of war responsibilities, the shock of an electoral repudiation in the Autumn of 1918 at home, the gradual disillusionment bred of discoveries, at first weakened, and finally undermined that contact with living public opinion from which Wilson drew his strength and sustenance as a leader. Solitude had robbed him of part of his gifts. The tidal waves of enthusiasm began to ebb before he arrived in Paris; and after a few weeks his presence in Europe was a diminished authority, against which the official organs of the nationalist reaction began to thrust shrewd rapiers of dissent.

Thus it was that, one by one, he began the surrender of his Fourteen Points, pressed by Clemenceau and the astute persuasions of Lloyd George. The foundations of his general policy for peace-making being thus undermined, he found himself compelled to battle for the salvage of the fragments. These, too, were rescued only by dint of compromise upon compromise. The past was winning the game. But when the last item of his program came under discussion, Wilson summoned all the stubbornness of his nature: on this question, the triumph of the past was limited. The League of Nations was provided for in twenty-six articles prefacing the Peace Treaty, after Clemenceau had done his best to see to it that this new and uncertain device, which flew in the face of diplomatic tradition, was so carefully pruned and counter-checked that it might be considered useful as an agency for enforcing the provisions of the Treaty itself.

The weight and proportions of the Treaty edifice thus built almost completely eclipsed this part of Wilson's handi-

work at the moment. Indeed, the alterations in his plan which were made to render it acceptable to his European colleagues, contributed to the clamor for repudiation now arising behind him in the United States. At the very moment he expected to have laid the foundations of a future world unity for peace, a cleavage of policies between Europe and America appeared. The division thus created was to accentuate the disturbances consequent upon the Treaty of Versailles during the greater part of the ensuing decade.

The interests controlling the political and economic scene in Europe had triumphed. The dominion of the old diplomacy was to be vindicated anew, as the past, phoenix like, arose from its own ruins. But would it? What did this Treaty do to Europe? What was the true aspect of affairs confronting it, this Summer of 1919? What promise was there, in the nature of the currents now sweeping through the deeps of Western civilization, that the miracle could be wrought?

4 · WHAT THE TREATY DID

THE Treaty of Versailles, which emerged upon the world scene by way of the dramatic ceremonies in the Hall of Mirrors, embodied two conflicting ideas, one of which, the stronger, was destructive, while the other, which looked timidly through its fetters at an uncertain future, was constructive. The disproportionate division of authority between these two ideas, and the singular misreading of past history and present circumstance that disequilibrium betokened, illustrated the central defect in the document as an act of statesmanship.

In the making of the Treaty, statesmen were faced by three general problems: the first was the liquidation of the war; the second was the remedying of the maladies that had produced the war and were now epidemic in the peace; the third was the creation of a European structure consonant with the changes war and revolution had wrought, since only by that means could genuine pacification be had and recovery made possible. To the first of these three problems Clemenceau, Wilson, Lloyd George and Sonnino gave the greater part of their attention. The second they ignored almost entirely. The third they embodied in a self-contradictory thesis, which held that the primary concern of the future was to defend the structure of penalties they had reared against a fervently hated enemy. If further confirmation of this last fact were needed, it was soon forthcoming, when the first session of the League of Nations was called to order—in the French Foreign Office.

The decision taken at the outset of the Conference had been in favor of deciding terms with Germany first and leav-

ing to subsequent correlative treaties the fixing of terms with other enemy nations: Austria, Hungary, Bulgaria and Turkey. In that reconstruction of Europe which the Treaty makers envisaged, the base was to be that provided by the articles relating to Germany's status.

The whole plan therefore centered upon revision of Germany's boundaries, detachment and partition of her holdings throughout the world, establishment of controls on her economic life, and the compilation of the indemnity bill to be presented to her: Germany was to sign a blank check, which the Allies would fill in at their leisure.

In 1913 the German Empire had consisted of 208,780 square miles in Europe, with a population of approximately 64,903,000, together with colonial holdings covering an additional 1,027,820 square miles and some 13,946,000 population in Africa, Asia, the Pacific and the Near East. In addition this Empire was represented by a host of commercial treaties and foreign investments. The Treaty devoted its attention first to Germany in Europe.

Alsace-Lorraine, with 5,604 square miles of territory and 1,874,000 population, was restored to France from whom Germany had stolen it in 1871. The districts of Malmedy and Eupen were given to Belgium; they covered 386 square miles and had populations of 60,924. To the new Republic of Poland parts of Eastern and Upper Silesia were granted outright, covering 17,787 square miles and having 3,853,354 inhabitants; another section of the same region, 110 square miles in extent and possessing 45,395 inhabitants, was bestowed upon the new Czechoslovakian state. The district of Memel was ceded to Allied control and supervision, adding another 1,057 square miles to the territorial subtractions and another 140,746 people to the alienated populations. The city of Danzig and the region about it, was created a "Free City"; but Polish control of its destinies was insured through customs arrangements and other stipulated rights in Polish interest. This district comprised 794 square miles and had a population of above 330,000. Resolute attempts by Clemenceau to annex the Rhineland region to France were rebuffed by the English and American

conferees; but they acquiesced to French claims upon the valuable Saar Coal Basin which, with its 738 square miles of territory, included one of the richest economic assets in Europe. The population of the Saar, overwhelmingly German both by race and in traditions covering nearly one hundred decades, numbered 713,000.

The significance of these compulsory reductions of the territory of Germany in Europe lies not alone in the losses of population and land they represented, though the population loss was 6,470,000 and the territories, after all minor adjustments had been made, covered 27,275 square miles. More vitally it concerned their nature from the point of view of economic and industrial importance as related to the fabric of Germany.

Alsace-Lorraine, restoration of which was indisputably called for, is an important coal-producing region. Eupen and Malmedy are the headquarters of large textile, leather and packing industries. Upper Silesia, which at no time previously in history belonged to Poland, is one of the richest coal-producing centers on the Continent of Europe and had been the chief supply source for all the industries of Eastern Germany. The Saar Basin produced annually before the war almost 44,000,000 tons of coal and, with the mines of the Ruhr and Rhineland, was supply center for the industries of Western Germany.

The detachment of the Saar was one of the most calamitous of all the economic provisions of the Treaty, for Germany. The region, geographically as well as economically, was tied into the structure of the nation. Its value exceeded the costs of the destruction deliberately wrought by the German armies in the French coal mining districts, so the Treaty explained exploitation of its wealth by France would count also as part payment on the Reparations bill which was in the making.

The Treaty gave full and final title of ownership in the mines to France, together with all equipment and appurtenances. But the geographical and racial facts could not be blinked. So provision was made that, at the end of fifteen years, the population of the Saar might choose by plebiscite whether to continue under French sovereignty or to return to German

allegiance. This plebiscite, however, in no way affects the ownership of the mines by France, which would continue thereafter unless and until Germany chose to purchase back her former property at its full pre-war value with gold. Moreover, the plebiscite is not set down in the Treaty as providing the determining decision in the matter of sovereignty: after the vote, the League of Nations is to decide. And on all matters pertaining to the Treaty of Versailles, to be effective, League decisions must be unanimous. Thus French dissent, if considered desirable by the French Government, would suffice to retain for France both the mines and the territory regardless of the plebiscite.

In addition to these territorial and economic penalties, the Treaty provided other disruptive blows at Germany's economic structure. East Prussia eventually was cut from the nation by creation of the Polish corridor and was left isolated. Germany's greatest rivers were internationalized and placed under supervision of a Commission created by the Allies. She was forbidden to levy transit duties on Allied traffic passing through her rivers, canals or over her railways en route for any Allied nation, no matter how far distant. She was ordered to impose no tariffs upon Allied shipping at her ports other than charges she levied against craft owned by her own nationals. All of her merchant marine above ships of 1,600 tons, one-half of all her shipping of between 1,000 and 1,600 tons, and one-quarter of her trawlers and fishing craft were ordered ceded to the Allies.

All her overseas possessions were likewise taken from her by the Treaty, together with all her state properties and all the properties of her nationalists in them. No compensation was offered in either case. Her rights, interests and privileges in all Allied territory were abrogated, together with the rights, interests and privileges enjoyed by her nationals in Russia, China, Turkey, Austria, Hungary, Belgium or their dependencies, regardless of whether the Allies possessed the power to assume ownership of them.

Having thus levelled attack on Germany's territories, population, economic structure, commerce, colonies, and the pri-

vate properties of her nationals abroad, including their bank deposits, patent rights, and business enterprises generally, the Treaty stipulated that other reparations in cash and kind must be added. She was directed to deliver free to the Allies 40,000,000 tons of coal, annually, over a period of from six to ten years, from the mines remaining in her territory. Building materials of all kinds, chemicals, dyes, drugs, livestock, equipment and tools for industry and agriculture, machinery, and other items were added in quantities either stipulated directly, or to be assessed by the Reparations Commission later. In the main, these provisions had to do with the reconstruction of the devastated areas.

To all this there was added the total cost of the Allied armies of occupation since the Armistice began, and a general cash indemnity payment, to be delivered in semi-annual instalments, sufficient to cover the whole cost of the war to Allied populations or their properties, and military pensions for their soldiers. Finally, to insure the continued harmlessness of the nation sustaining all these penalties and innumerable others, the German army was ordered reduced to 100,000 men; its equipment was rigorously limited; manufacture of war materials and war instruments of all kinds was placed under Allied control; importation of arms and ammunition was forbidden; the manufacture of all poison gases was proscribed; all fortifications along a zone fifty kilometers wide on the Rhineland were ordered demolished and dismantled; all military and military operations in that zone were banished; the German navy was limited to six battleships, six light cruisers, twelve destroyers and twelve torpedo boats; and all submarines were banned. Germany was forbidden to maintain any war aircraft, military or naval. And an Allied Control Commission was created to see to it that she observed all military clauses of the Treaty.

In summary: the Treaty of Versailles reduced an Empire of 1,236,600 square miles and 78,849,000 population to a nation of 185,889 square miles, subtracting nearly 6,500,000 from the population she had left in Europe and all the population represented in her colonies. It strove to break the backbone of her industrial structure, East and West. It removed

her right to raise revenue by duties commonly levied by a nation against the goods and traffic of other nations entering or passing through its borders. It placed her whole traffic system of waterways in outside control. It forcibly curtailed her military and naval and air forces to a minimum. And it demanded of her a reparation in goods and materials sufficient to stagger the most powerful and efficiently organized nation in existence, together with a reparation in money payments which, it was shortly suggested, should be set at 269,000,000,000 gold marks, or about $64,000,000,000.

It is not remarkable that the weight and proportions of this list of penalties and charges threw into obscurity the League of Nations Covenant which was placed at the front of the Treaty itself. Nor is it strange that during the ensuing decade the provisions of this Treaty and their economic and political effect would cripple and delay the efforts of the League to emancipate itself from the shackles thus bolted about it.

5 · THE WORLD BEFORE THEIR EYES

IN this Summer of 1919 the world, for whose swarming problems the Treaty of Versailles was expected to provide primary solutions and appeasement, was being shaken to its depths by the losses sustained during the five years past and by their consequences, everywhere evident in social, economic, political, and psychological convulsions.

Out of upwards of 64,000,000 men under arms during the war, 9,998,519 were known to be dead; almost 3,000,000 more were presumed to be dead because they were still missing; 6,295,512 others had sustained wounds of such severity as to be crippled for life, and an additional 14,000,000 had suffered wounds of varying degrees of gravity with the result that many were now unfitted permanently to earn their livings.

The toll of insanity was enormous; and it continued to grow larger with every passing month of the Armistice though the guns had long been silent. Of all the wars fought during the entire 19th Century in Europe, including the campaigns of Napoleon, the combined total of human dead failed to reach a mark one-half as large as the figures for this staggering harvest gathered by war in less than five years.

The capitalized value of this human offering on the altars of slaughter has been figured by experts at between $33,500,000,000 and $45,800,000,000. Such figures, fearful though they are, fall short of covering the actual total of the loss. There was the additional human capital loss represented by the armies of the crippled; by those whose remaining days were doomed to utter darkness; by those who filled the hospital cots they would occupy during months and years till death released

them; by civilian losses due to massacre, famine and starvation; by the 43,000,000 children of a new generation who were denied birth through the cutting off of the world's manhood in its prime; by the consequences of malnutrition and exposure and emotional overstrain among the youngest generation of the living; and by the deterioration of race stocks through shock, hunger, nervous excess and physical depletion.

This loss in terms of human life, health, productivity and happiness, affecting as it did nearly half the nations of the earth in varying degrees, was but the first entry on the debit pages confronting civilization in this Summer of 1919. It symbolized the first of many factors proclaiming an inevitably altered equation in life as compared with yesterday. Already this alteration was reaching as far as the roots of social custom, particularly in relation to the status women were to occupy in Western society: the sex balance in population had been upset.

If the human deficit and its effects were thus almost beyond calculation, the material charges of the conflict were equally astronomical. The face of the Continent, where millions had been accustomed to labor for their daily bread, was scarred with ruin. Vast areas of Belgium and France and the Balkans had been harrowed by shell fire and made sterile by gas, chemicals and flame throwers. Practically the whole of Belgium had been denuded of crops and factory machinery, its mines had been wrecked, and its industrial equipment pillaged. The property loss of this one small country of 12,000 square miles and 7,423,000 population approached $7,000,000,000.

In France, 6,950 square miles of tillable lands and 1,200,000 square acres of valuable forests were a churned desolation. More than half a million houses were destroyed, together with some 2,000 factories, 1,500 schools, 1,200 churches, 377 public buildings. Damages to highways spread over more than 24,000 miles of road. Thousands of miles of inland waterways were crippled. Added to this were thousands of miles of railways, nearly 2,000 bridges, and hundreds of public utilities. The devastation of French agriculture spoke not only from pulverized and barren fields; farm equipment valued at $2,000,000,000 was gone, and the livestock and orchards of 2,554

communes were destroyed also. So were several of the best mines in the Republic. This damage to property in France stood in the vicinity of $10,000,000,000.

Other nations that had been involved in the struggle were faced by similar losses differing only in proportion and degree. The bill for them all approached $30,000,000,000. In addition to these losses on land, 15,398,392 tons of shipping had been sunk, representing a ship and cargo value in excess of $6,500,000,000 more. The total of the direct and indirect costs for Allied, enemy and neutral nations exceeded $151,600,000,000.

Nor was this all. The direct costs in money expended upon destruction, and in financial derangement, and in loss of money values through inflation, and in pyramided national debts, were literally beyond estimate. England alone had thrown $44,029,000,000 into the hoppers of the war where it was ground up. Her national debt had expanded from its pre-war figure of $3,485,000,000 to $37,000,000,000. France had spent $40,732,000,000 to propitiate the war gods. Her pre-war income had been about $1,000,000,000 a year, so that now, if she were to apply her whole annual revenue of past peace times exclusively to payment of her war bill, it would take her forty years to pay off the principal alone.

Other countries in Europe were in the same predicament. The total direct and indirect costs of the war to life, property, production, together with the capitalized value of the dead, carried the grand total to the vicinity of $337,000,000,000. The war had decreased the national wealth of Great Britain 12.7%, of France 25%, of Italy 20% and of Germany 26%.

The Treaty of Versailles thus accosted a world maimed and weakened by stupendous deficits due to the war; and that world was also being rent now by political and social revolt. China, in Asia, shaken by continuing revolution, divided against herself, was locked in a struggle with Japan on the issue of Japanese occupation of Shantung: Japan had taken over former German Concessions there and proposed to make them her own. In Russia, the Bolshevist revolution was fighting for its life against interventionist armies, which beset its every border, and against domestic counter-revolution. In the Bal-

kan corridor and down through Eastern Europe, 15,000,000 people were struggling against starvation. Germany was hag-ridden by extremist and reactionary plotting against the Republic, and by a severe food shortage.

The confusion in the shattered Empires of Russia, and Germany, was exceeded by the bedlam reigning among the quarreling fragments of the collapsed Empire of the Hapsburgs. Austria was starving while Socialists fought Communists on the left and reactionary landlords on the right for control of the young Republic. In Hungary Bela Kun led a Communist terror which was piling $3,000,000,000 to the bills of that shrunken fragment of once proud Magyar power. Roumania was fighting Hungary. In Bulgaria the peasants were rising in an agrarian alliance to throttle the pretensions and threats of domestic adherents to Communism. And throughout the whole Balkan corridor, nations were wrangling about undefined frontiers as succession states and older national entities grabbed for territory. To add a finishing touch to all this uproar in the South of Europe, the Macedonian revolutionists, believing that the hour had struck for the creation of that Macedonian state of which they had dreamed during twenty years past, let loose an impartial campaign of assassinations against opponents in the various South European nations clutching territory claimed for Macedonia.

Spain teetered on the thin ice of a class war. Italy was disrupted by a lack of raw materials for her industries which accentuated unemployment disorders and threw her politics into chaos. In Asia Minor the defeated Turk was dividing against himself, and a new nationalism was developing under the leadership of Mustapha Kemal to challenge any dismemberment the victors might think feasible; while Greece, her royal rulers shorn of authority and power, crouched in her isles and along her rock-fanged peninsulas, ready to spring at him when he moved.

Unrest was stirring toward the beginning of mighty events in India and rebellion was rising in Ireland. In England a headlong collision between labor and its employers was im-

pending, while in France a similar dispute had made its appearance in every industrial center of the nation.

Throughout the whole of Europe nationalism was rampant in the exuberance of new found promise of liberty and freedom from the rule of historic kings and the grip of demolished Empires. The leaven of Wilson's idea had spread into the remotest mountain hamlets; and extravagant hopes were being followed, as the truth about the Treaty became known, by equally extravagant despair. The delay in the settlements with Hungary, Bulgaria, Austria and Turkey added to the political uncertainties prevailing through Central and South Europe and the Near East.

Divided from Europe and Asia by wide oceans, the United States had nevertheless failed to escape some effects of the conditions reigning in both. From a debtor power she had been transformed to a creditor of the world and, for the first time in modern history, her financial strength menaced the control England had held over world finance during the preceding century. An expanded marine, a tremendous industrial growth, and five years of unhampered access to the markets of the world ordinarily shared in or controlled by her world competitors, had carried her almost at a stride into a new and important relationship to world economy.

But, throughout the mêlée raging in Asia and Europe and the Near East, during this Summer of 1919, flowed certain broad currents of interest which suggested that the Treaty of Versailles, with its obeisances to the past, was already unsuited to the living needs of world society. The past had vanquished the future on paper: but the future disclosed no disposition to neglect the forces that had prepared its destinies.

6 · THE AGE OF REVOLUTION

ONE fact of first importance, which disclosed the deep-seated change that had taken place during the war and that was continuing now throughout the Continents of Asia, Europe and America, was the significant new phase upon which an Age of Revolution, dating back to the establishment of industrial society, was entering. Though little noted among the excursions and alarums of 1919, this alteration of phase involved consequences affecting the whole period now opening.

The 19th Century, during the final three-quarters of its European courses, has been viewed generally as a period of peace and rapid progress. Excepting occasional brief explosions here and there, and intermittent political hubbubs, the broader condition seemed to be one of successful equipoise. Diplomacy proceeded for the most part under elaborate masks of concealment. Wealth was accumulating. Trade was expanding. Exploited colonies poured their contributions into Imperial exchequers while scarce an echo of their muffled dissent troubled the ears of populations at home in Europe.

Actually, the birth of the Industrial Age was accompanied by tendencies toward social and political revolt which had more than ephemeral meaning and strengthened as the Age advanced. These tendencies within the social-economic structure of society were proceeding together with consonant revolutions in every domain from Art to Science. The Age was preluded by the successful rebellion of the American Colonies against British controls; it was announced by the Great French Revolution; as it advanced it was punctuated by increasing series of explosions in European Turkey, France, Germany,

Hungary, Italy, along the Balkan corridor, in Eastern Europe, in Spain. These political and social outbursts were in essence the result of a struggle of the slowly rising power of labor to win such readjustments in its status as were demanded by the fundamental alterations in society being produced by the Industrial Revolution through science and invention.

The abrupt break with the feudal past in Europe, the increasing multiplication of machines, the rise of the factory system, the shifting of the populations from country to industrial towns and cities, were all implicit in the revolution which the industrial idea had brought to society as a living organism. But this society was without experience in its new responsibilities to the working masses; without precedents to follow in handling them; and almost entirely without the legal apparatus of checks and balances which might have accommodated the interests of employee gradually with those of the employer.

So Europe faced a long slow evolution in social and economic attitude. The uncertainty and lack of handy guides, together with the reluctance of industry to grant concessions ameliorating conditions of life, resulted in a continuing struggle between the upper and nether sections of European society.

This conflict was economic as well as political. Its economic phase emphasized the need for recognition of the inequities of the industrial experiment as it developed. Its political phase embodied the new democratic idea: that the enfranchisement of the masses and their larger participation in the affairs of government, proffered a way out of these difficulties. As the Age of Revolution advanced down the 19th Century, the issue being joined within European society borrowed the hue of nationalism wherever, in subject territories, the people became aware that neither economic justice nor political rights could be had so long as populations were viewed merely as the pawns of an Imperial or monarchial reaction in alliance with the rising overlords of the new industrial economy. Ostensibly, the appearance of barricades in the streets of Paris, in Saxony, in Prussia and elsewhere, meant a battle for political rights alone. The rather ill-defined inner purpose of such movements was to achieve those rights for the benefits they might be expected to

bring to the multitude. "Man is born free, yet he is everywhere in chains," Rousseau had exclaimed in the "Contrat Social"; the pen of that 18th Century sower of whirlwinds having let loose the idea of democracy, democracy had begun to evolve as a practical conception in the public mind. Not even the abuses and sanguinary fanaticisms of the French Revolution had proved sufficient to destroy that dream. The "chains", on the other hand, had grown steadily more onerous as the Industrial Revolution made progress, while, especially for uprooted rural populations in the industrial towns, the freedom which was envisaged as a natural right, had diminished. Here then was a situation eloquently suggesting that remedy could be found through growth of solidarity, resistance to reaction, and pressure for opportunity to influence public policy.

In England, which early took the lead as beneficiary of the Industrial Revolution, the contest between society at the top and society at the middle and bottom went on with less of the spectacular than elsewhere in Europe. There was a minimum of violence of the sort associated with the Paris barricades of 1842 and 1848 though there was turbulence enough. Save for the Chartist riots in 1848, the pressure for social amelioration followed orderly courses; and even in the case of the Chartists, it is pertinent to notice that their demands (which were considered extravagant and revolutionary by the British upper classes) were simply demands for a universal suffrage, the ballot, the dropping of the property qualifications for the seats in Commons, more genuine representation of the masses of the population in the Parliament, and more regular sessions of the national legislature. Misery was begging a chance to remedy itself.

England was unready in 1848 for this forward stride; and as a consequence, Chartism failed under a rigorous suppressive onslaught from the ruling classes. Nevertheless, the winds of progress could not be arrested or confined. The English middle classes, with the support of the workers, at once opened a new attack which broke down the barriers set up by the landed aristocracy to safeguard the preëmption of government to itself. With the eloquent guidance of John Bright and Richard Cob-

den, this new movement gathered such strength that it rolled back opposition, broadened the franchise, and prepared the way by which British Liberalism began its march to power.

A gulf yawned still between the masses of everyday working Englishmen, and the middle and upper classes who now contended for control of policy. The franchise had not been liberalized to include any below the middle class nor even all of that. It was this state of affairs that produced the labor movement, which appeared first in a development of Trades Unions, next in the alliance of these with Socialism, and finally, in 1900, brought into existence the Independent Labor Party as the political agency through which organized labor in England sought to increase its share in the governing power.

Prior to the advent of the British Labor Party, the story of the growth of labor strength was recorded decade after decade in the Trades Unions' enrollment figures. Four years previous there were in England 1,358 Trades Unions having a total membership of 1,602,000 members. In 1900 the number of Unions had slightly decreased while the membership had grown to 2,022,000. On the eve of the war, there were 1,269 Trades Unions in England, having membership in excess of 4,135,000, and in 1919, the year of the signing of the Treaty of Versailles, the figures had jumped to 1,360 Trades Unions with 7,926,000 members. The peak year was 1920, when acute post-war struggle carried the membership beyond the 8,000,000 mark, from which it dropped slowly as the depression in British industry continued, until 1929, when the figure again began to grow toward 5,000,000. To complete the picture of this revolutionary advance of the English masses it need only be noted that Labor's seats in Parliament, which numbered 11 the year the Independent Labor Party became British Labor's political agency in 1900, rose to 62 the last year of the World War, to 142 in 1922 and to 287 in 1929. In 1931, a terrific campaign of conservative reaction reduced them to 53, but left a solid block of Labor supporters, 6,700,000 strong, in the country.

England is here cited in some detail as an illustration of a process which was proceeding throughout Europe subject to

considerable variation in method and tactics. The further one travelled from West to East in Europe, the slower the process became; but even in the arch-reactionary among nations, Russia, the pressure from below in society attained such proportions during the last three decades of the century that it compelled the Czarist Governments to undertake the abolition of serfdom.

A movement so basic and general could not escape influence in other directions; and this Age of Revolution revealed them decade after decade. While science, spurred on by the new idea of machine production, bowled over one symbol of the past after another, in poetry, music, sculpture, medicine, painting and group social activity the Age found further expression. The democratic idea of participation through enlarged liberties in the direction of national destinies, was everywhere at work. The social order of life began to be viewed among the masses as their greatest opportunity for self-development, security and happiness. Unfortunately at the same time, the interests of economic exploitation provided the cue followed by a diplomacy which was both outworn and sinister in its irresponsibility to populations.

These ideas and forces permeated Europe end to end in varying degrees of strength as the 20th Century opened. They uttered themselves over and over again in outbursts of political agitation. In Russia, following her defeat by Japan, they spoke a momentous warning—which went unheeded. Between the coming of the Industrial era and 1910, however, the democratic evolution had proceeded with success only along the Western fringes of Europe. In Central and South Europe the obstacles before it were more formidable. In Russia, owing to a barbarous and brutal system of official repressions, these hindrances blocked the advance entirely and drove the movement underground where it set bitterly to work at the bases of the social order.

Then, in 1912, the Manchu Dynasty crumbled in China on the other side of the world. The Industrial Revolution, of which the major forces had been hitherto confined to the West, had penetrated the Orient. An explosion had occurred in one

of the greatest of those "backward nations" upon whose continued docility under economic exploitation by Western Imperialism, the triumph of the Industrial progress of the West was founded. The first phase of the Age of Revolutions was ended. Another was beginning.

Two years later, the "backward" nations of the Balkans rose against the dead weight of the old Ottoman power. The pressure of Imperial needs, intensified by the machine, by an accompanying multiplication of populations, demands for raw materials, and markets, next brought the five greatest Empires of the world into headlong collision.

The warning given by the Chinese revolt against the past had been no meaningless trumpet blast. The new phase of the Age of Revolution announced itself in 1917 in Russia by an uprising which overthrew the rule of the Romanoffs and soon passed into the control of the Communists, owing to the lack of experience and the blindness of the middle class toward the aspirations of the working masses. Next, Empire tumbled in Germany and in Austria-Hungary, under the impact of defeat and the rising pressure from below.

Thus, as the world turned to face the difficulties that had accumulated at the close of the second decade of the 20th Century, there appeared in it a three way division within which were included all those nations which, owing to their wealth, their power, their experience, and their energies, exerted the predominating influence in the formulation of major world policies. These three divisions indicated something that had hitherto not existed: the Age of Revolution, in its new phase, had divided Russia from Europe, and Europe from America.

7 · THREE BELTS OF POLICY

THE momentous cleavage among the more conspicuous supervisors of world policy in the Western world, which characterized the new phase upon which the Age of Revolution was entering, was much more than a matter of political division. The political break occurred from causes flowing beneath the surface.

Throughout the greater part of the 19th Century, and during the entire first phase of the revolutionary era we have noted, the goal toward which peoples everywhere struggled had been essentially democratic. In spite of minorities of dissenters, variations in viewpoint, differences as to the proper tactics to follow, there was a general singleness of intent, whether in America, Europe or European Russia. The desire of the masses, insofar as it was revealed in the larger sweep of social pressures, had been for greater liberalizing of the voting franchise, wider recognition of the rights of working populations, and acceptance of the instruments of labor organization as necessary for a more just and equitable balance in society.

Now, this singleness of purpose was broken three ways, even at the moment the Treaty makers at Paris were assuming that yesterday could be enthroned. Russia was cut from Europe, and Europe began to part with America. The idea which had energized the first phase of the Age of Revolution had consumed itself. If a line were drawn North and South, along the Western borders of Russia, and another down through the Atlantic Ocean, the true picture of affairs immediately stood revealed. In one belt, the Russia of the Communist Revolution,

with one social attitude and goal, was entrenched. In the second, lay a Europe in which Social Democracy found itself embattled against right and left reaction, while it strove to work its way with a minimum of violence out of the dilemma created by both, toward an order of society which would express the social revolution and democratic ideals. In the third belt stood the United States, already rapidly cooling from its war alliances, suspicious of a social movement in Europe which it did not understand, and violently opposed to the whole conception of life embodied in the handiwork of the Russian Communists.

This division, which was to underlie and influence international policies for years, was important precisely because, at the moment, Japan and China in the Orient, India in mid-Asia, Turkey and Egypt in the Near East, and Africa, were feeling their several ways forward from the stereotyped past into new courses, though none of these nations was yet ready to make up its mind as to where it preferred to go. For the moment, then, the Western world retained its influence as the source of world policy leadership, even though it had split apart and a struggle had begun among three sections for dominance. The division ran deep. The contest, which grew from fundamental differences of view as to the social goal of man, divided peoples, governments, and their international policies. It speedily became one of the most tremendous influences in human history. A description of the nature of each of these three contending ideals of life will aid in understanding much of the drama which now began to unfold.

I

The Idea of Communism

In Russia the idea of a Communist State was emerging slowly and definitively from a welter of contending rivalries and economic confusion. What was that idea?

The principles upon which Communism rests are capable of succinct statement, though the philosophic justification and expansion of the Communist doctrine can be indicated here

only in summary fashion. The builders of the great Communist revolution in Russia have themselves at times fallen out over the correct interpretation of the doctrine for purposes of practical application to a living society, as witness the duel between Josef Stalin—"the Man of Steel"—and Leon Trotsky, Lenin's one-time associate, a difference of views which drove Trotsky into exile as we shall see in a subsequent chapter.

Communism envisages a state in which private property does not exist, insofar as the instruments of production and distribution are concerned. It is a state in which all these instruments are owned publicly by the nation. This new society, created by violent means—or "direct action"—naturally therefore holds all trade, land and industrial equipment in its own hands, while it extends its authority completely over every other department of the national life, scientific, educational, cultural, social and political.

Politically, Communism rests in theory upon the support proffered by the working, non-owning and non-employing masses, otherwise known as "the proletariat". Actually, in the case of Russia and in accord with Bolshevik tenets as formulated by Lenin (who was mainly responsible for the evolution of Communist policy in its earlier stages of application), the Communist idea of an entirely working class society was subjected to modifications so as to accommodate it to the realities of the situation with which the creators of the Soviet Republic had to deal.

Lenin's Communism derived from the Communist Manifesto, issued in 1848 by Karl Marx; but it had become, at the time Communism seized power in Russia, a special interpretation of the Marxian thesis. The outstanding idea of the famous manifesto was that man had become the economic slave of the existing industrial order of capitalism and that he could obtain his freedom only by mass organization and action aimed at the overthrow of that order and the establishment of a working class society. Lenin's Communism was entirely hostile to the democratic state and to its political institutions as they exist, it being his view that, excellent though the democratic idea might be, in practice it was a sham and a

fraud, controlled by the selfish interests of the capitalistic order and exploited by them. The entire social order, he held, must be remade. As an inescapable preliminary, the opposing order must be uprooted by force.

But while, in theory, the destruction of the capitalistic form of society and the construction of the Communist order looked to the masses for support, these masses could not be relied upon fully or with safety. Though capable of assisting destruction, they lacked the schooling and discipline in Communist theory essential to construction, owing to their ignorance, their inexperience of government, their general lack of preparation. Therefore, a well organized and thoroughly disciplined group, familiar with the tenets of Communism, must assume control of affairs during a transition period, that the bases of the new order might be laid firmly and intelligently while the details of the evolution of the new governing structure were being worked out. This group was further essential in that such transition period required firm direction of public affairs and, above all, a carefully planned and vigorously pressed campaign for the education of the masses in Communism, that the bases of the new order might be steadily widened.

Thus, as the Communist Party emerged under Lenin's directive hand, its dictatorship was established over the Russian Revolution and nation; and, as was to be expected, an all powerful Party Executive assumed the function of directing the Communist Party. It was to insure the continuance of the power thus represented that the Party was open only to the non-possessing classes of workers, peasants, and soldiers, while each prospective member was put through careful examination and a probationary period to make certain of his loyalty, discipline and obedience to orders. Only workers and peasants might vote for the selection of higher party officials. All other persons in Russia were soon denied the franchise; non-Communists were kept from all important offices, and wherever the local soviets in village, town or city, showed a disposition to elect non-Communists to represent them in Provincial Congresses or City governments, the Communists overrode the election if possible.

The idea of the Communism of Lenin provides thus for three successive steps in the realization of the Communist State: first, direct action looking to the seizure of power and the overthrow of the existing order; second, dictatorship of the Communist Party as the representative of the proletariat; third, by speedy education of the working masses, through intensive propaganda and the gradual broadening of popular support until dictatorship can safely give way to government basing on a Communist-trained public will, which throws overwhelming support to the Communist idea in rule. Needless to say, at no time during this process is any other political party permitted to exist longer than is required to give its following an opportunity to "see the light". Refusal of conversion is followed by complete suppression.

Simultaneously with these three steps in domestic evolution, Lenin held that every effort must be made to spread the revolution to other nations, on the theory that the existence and safety of the Communist State was threatened by continuance of the capitalistic order elsewhere. For this reason, the Third International, which represents the Communist view of society, was entrusted with the task of foreign propaganda.

The idea of Communism held by Lenin underwent an evolution as time passed and as his experience with the difficulties of the situation grew. He remained ever a realist in policy, entirely unafraid to make compromises consonant with hard fact, though such compromises he considered to be merely temporary concessions made necessary to insure the ultimate success of his idea. His greatest error lay in the assumption that the experience, condition and ideas of people in all other nations were essentially similar to the experience, condition and nature of the Russian people, with whom he was dealing; that class lines were everywhere as sharply drawn as they had been in the Russia of the Czars; and that industrial populations in the more advanced industrial nations were either ready or willing to abandon those ideals of democratic advance which had already profoundly influenced society and their own condition during the first phase of the Age of Revolution.

II

Social Democracy in Europe

In the remainder of Europe, the close of the war found in the major sweep of social thought an inescapable challenge to the Communist idea. There, as in Russia, the ideal that had been cherished generally among the masses was one of a more equitable form of society than they had. Socialism, which had gradually grown in strength and influence, had undertaken to build a democratic Republic from the ruins of Empire. In Poland, Czechoslovakia, Austria, and among the succession states generally throughout the South of Europe, this conception of the Socialist groups mustered support from the largest unified bodies of social opinion. It was supported by the largest single political party in France, one of the two largest in Belgium, and by a rapidly growing body of opinion in England.

This current of thought was set toward a Socialist State in which the instruments of production should be publicly owned. But violent means of attaining that objective through a wholesale overturn of society were unpopular. Peaceful evolution, steady growth of political rights for the masses, gradual increase of power in government, and an essentially democratic ideal, were preferred to revolution and autocratic dictation. In this second belt of formative policy there had been no such brutal repressions, no such cruel persecutions, no such regime of secret police terror as the Russian working masses had experienced under the Romanoffs. Consequently there was infinitely less intellectual violence and infinitely more willingness to proceed peacefully toward conquest of political forms. Where the Communists felt it necessary to wipe out the old structure of government entirely as a prerequisite to the erection of the system they sought, in the rest of Europe the predominant idea was that the political forms of democracy could be employed satisfactorily once they were controlled. In other words, the masses of the population in the second belt of

policy, which now emerged, preferred not to cast aside the experience gained during a century of struggle.

With the break between the Second or orthodox International, which symbolized this general attitude, and the Third or Communist International, during 1919 and 1920, the new decade opened. The Social Democratic forces in the European belt outside Russia refused to surrender the democratic idea or to admit that the social changes they deemed desirable could not be effected under it. They perceived the weakness of the Parliamentary system more clearly than any other group; but they believed more was to be gained by orderly processes than by repeating the experiences of the French Revolution during the Terror.

In every European nation the power of organized labor in all categories had steadily waxed. The International Federation of Trades Unions opened the second decade of the 20th Century with more than 27,000,000 members. British labor was advancing by giant strides toward its first brief experience as Government with millions of organized supporters throughout the country. The vote of the Socialist Party in France had mounted after the war to 1,700,000. In Belgium the Social Democratic idea was represented in important cabinet positions as well as by a powerful bloc of votes in the Chamber of Deputies. Wherever one turned, from the Baltic States to Greece, from England to Spain, from Germany to Jugoslavia, the media through which the Social Democratic idea found its voice were strong and active, even if frequently divided on lines of nationalism due to the disaster of the war. It is significant, finally, that the first genuine efforts made in Europe to moderate war hatreds and rehabilitate the unity of European interests, came from the social-political parties expressing the Social Democratic idea dominant in this second belt.

The difficulties confronting the movement were, however, enormous; and desperate conditions of the multitudes all over Europe added to the hazards of the struggle for social progress under the ægis of this idea. Having made choice between violence and peaceful evolution, the champions of Social Democ-

racy found themselves beset from the left by assaults of communistically inclined extremists, and from the right by the cohorts of a conservatism which was affrighted by the swirl and swash of a deluge of uncertainties, and was not above attempting to identify the Social Democratic idea with the excesses of Communism and Anarchism in order to bring itself support from the uneasy middle classes. From the left, Social Democracy was denounced as a delusion which played into the hands of those Imperialistic interests which had precipitated the catastrophe of war through their greed. From the right, Social Democracy was decried as paving the way for Bolshevism.

As a consequence, the trend in the second belt of formative policy, in Europe West of Russia, became uncertain and divided. While the ideal remained the most powerful single conception among the working masses, governments felt the tug and pull of a conservatism which had made nationalism its ally wherever it could. The result was a continuing turmoil, which began to make itself apparent in strikes as the organized laboring masses sought to keep open the road to social and economic justice and prevent themselves from being forced into a position perilous to their aspiration.

Thus the ideal of Social Democracy reached a dilemma in which it found itself hampered. And the result of this was soon in evidence in European policy both domestic and international.

III

Democratic Individualism in the United States

In the third of the belts of policy thrown up by the war and its aftermath, the prevailing attitude among the population had been developed neither by the repressive barbarism which had characterized the pre-revolutionary Russia of the Romanoffs, nor by the class lines which had been a powerful influence in conditioning the Social Democratic idea of Europe.

The settling and conquest of a continental wilderness which, during the better part of three centuries and a half had

provided ample room for initiative and adventure and the experience of local self-government that accompanied these processes, had given the American mind both direction and temper to deal with its problems as they emerged and as the United States advanced gradually from the agricultural to the industrial stage.

During the better part of a century and a half, the American nation had been preoccupied with its own growth and tutored in the uses of an individualism without which it would have risked failure. Its first great political revolutionist, Jefferson, had based a whole philosophy of government upon the rights of the individual to grow by initiative and self-effort in freedom. The noblest of American poets, Whitman, had glorified the ideal of Democratic Individualism. The most influential of the people's teachers—Emerson and Thoreau—had waged battle unremittingly for individuality, for the enriching of identity, for personal effort. And at the close of the 19th Century, just as the new industrialism was beginning to stand forth as a vast power in the economic life of the nation, the first philosopher nurtured on the American scene—William James—had bespoken the value of individuality as one of the distinctive traits of the national mind.

While the industrializing of the Continent proceeded, the American Federation of Labor, led by Samuel Gompers, a veteran Socialist who had helped to found it, turned its eye toward Europe with curiosity but without any real eagerness. So strong was faith in the system of society builded by individual enterprise under a government in which, in the long run, public opinion had always managed to make itself felt, that, unlike the European social movement, its American counterpart refused to consider specific action as a political party a requisite remedy for any ills it suffered. Labor preferred to go its own way, rewarding its friends and punishing its enemies "at the polls", not by political competition, but by exercise of the voting power.

The jolt administered by the World War to this attitude was curious in its results; but in the end, the new experience

tended only to accentuate during several years the popular idea of self-sufficiency and Individualistic Democracy. America went back to the famous question of a generation before: "Who cares about abroad?" and decided (incorrectly, as time proved) that splendid isolation was still possible. The repudiation of the Treaty of Versailles was significantly followed by a clear break away of the larger part of the American labor movement from European leads. Not only did the social sweep of American thought discard the notion of participation in European destinies; it also discarded affiliation with the Second International, which had become the central power station of the Social Democratic ideal in Europe. The current of the older tradition retained its appeal in the present.

The idea of a society striving toward a democratic ideal in which class lines were almost entirely absent; where one could rise by education, industry, initiative; where education was free, and opportunity was open, and labor could obtain increasing share of its product through organized pressure upon and collaboration with capital; where forms and practices of government could, if need be, be changed peaceably for the better; where social programs could be carried into the voting booth—this was the prevailing conception in the third belt of policy. And this idea was now generally dominant in a nation whose whole pattern of world responsibilities had changed.

IV

The existence of these three conflicting ideas was to have much to do with world history during the decade following the World War. Its influence was first and most immediately apparent in the joint assault, through propaganda and subsidized interventionist armies supported by the Allied and Associated Powers, upon Russia, and by the furious counter-attack of propaganda which Russia loosed in Europe and America. Later, this three way conflict of ideas found expression in a homeward withdrawal of American policy from

Europe, and in constant manœuvres of Russian and European diplomacy against each other. The exclusion of Russia from the League of Nations reiterated it, while the abstention of the United States from the same organization underlined it once more: Europe rejected the Eurasian giant and the United States rejected Europe. Ostensibly, the three colliding policies revealed in this process might seem fortuitous, or might suggest mere continuance, in sharper outline, of the struggle between slow paced capitalism and impatient reform. Actually, in each instance, the policy was based upon a general public attitude in the policy belt concerned; and that attitude flowed from the dominant social ideal.

BOOK TWO

PAGEANT

8 · SOVIET RUSSIA—PRAGMATIST

DURING more than fifteen months prior to the signing of the Treaty of Versailles, and fully nine months before the close of the World War with the defeat of the German Empire, there had been innumerable proofs that the cleavage separating the Russian Revolution from the whole body of polity in the Western world was wide and deep. Owing to the desperate final phases of the struggle on the Western front and the preoccupation of the Allies there, the rise of the Communist idea was, however, neither understood nor appraised in its wider implications at first. Only when the Bolshevist rulers of Russia's new regime confirmed the fact of this gulf of division by a major démarche in policy, did the remainder of Europe begin, confusedly, to grow aware of the momentous change taking place.

I

Brest-Litovsk—Before and After

On March 3, 1918, the Soviet Government signed at Brest-Litovsk a treaty of peace with the Imperial German and Austro-Hungarian Governments which marked the formal withdrawal of Russia from participation in the World War. This step had been decided upon the 10th of the preceding November, just three days after the Communists had seized control of the Russian Revolution from the incompetent hands of Alexander Kerensky's moderate Provisional Government.

The Provisional Government at Petrograd had striven vainly to guide toward a Social Democratic goal the whirlwind that had broken loose the previous March and blown out of existence the Romanoff dynasty. The Government of this first revolution also had endeavored to keep Russia in the war on the side of the Allies. Its failure had been due to a complete misreading of the meaning of the revolutionary upheaval as expressed by the desires of the peasantry and the nation generally. The peasants, who comprised approximately 80% of the Russian population, were tired of the war and eager for division of the landed estates of the nobility. The workmen in the towns and cities, as well as the soldiers in the army, were utterly sick of a war which the Czar's Government had grossly mismanaged from start to finish. As the Provisional Government, under Kerensky's direction, sought to temporize and delay settlement of the land question hoping to protect the landlords, or at least arrange compensation for them to cover the expropriation of their vast holdings, enthusiasm for the Kerensky regime diminished rapidly among the peasantry. An attempt to revive the spirit of the army for new military adventurings ended in dismal failure. The prestige of the Provisional rule was thus weakened both in the country and in the army. Thereupon the Communists, working feverishly among city and rural populations where workmen were struggling with hunger, staged their famous coup. Following it up, they hastened to base the next move of their policy upon the manifest desires of the people. This it was that led to their proposal for an immediate armistice on all war fronts and a peace, without annexations or indemnities all round, founded upon the principle of national independence and self-determination by all nations of their own development.

The Allied nations turned deaf ears to this suggestion as well as to the official notes in which Leon Trotsky, Soviet Commissar of Foreign Affairs, sought to argue it. Not so the Central Powers. Seeing an opportunity to free themselves of war on their Russian front, to take whatever territory they wished there, and to liberate their armies in the East for a con-

centrated assault on the Allies in the West, they arranged a truce with the Soviet Government in December and the negotiations at Brest-Litovsk began.

The Russians protracted the negotiations, playing for time and using Brest-Litovsk as a sounding board for statements to the world, suggesting that the war be halted by revolutionary uprisings among Allied populations. These appeals were strengthened, unwittingly, by the stupidity and open greed of the German and Austrian Governments, whose demands upon Russia exceeded the most anxious fears of the Communist regime.

As Germany and Austria thus unmasked their real Imperialistic aims and purposes at Brest-Litovsk, the Communists flooded central Europe with bulletins covering the revelations. Berlin and Vienna stood naked before their own people: their official pretenses of a purely defensive war fell to earth; and the true nature of the struggle began to dawn upon their home populations. A series of small strikes and riots warned the Imperial negotiators that they now faced danger from their own people.

To drive home the lesson thus begun, Trotsky hit upon a strange plan. He proposed to take Russia out of the war without signing any peace treaty whatever, leaving Imperialism to commit itself deeper. His guess proved disastrously correct. Germany answered by driving her armed hosts swiftly far into Russia; and she enlarged upon the preposterous demands she had already put forward at Brest-Litovsk. Rumbles from peasantry and soldiers now convinced the Communist rulers that peace must be had at all costs; and accordingly Soviet Russia was forced to sign the Brest-Litovsk treaty to save what remained of Russia and to save its own power.

Russian Poland, Lithuania, and the whole block of Russia's Baltic Provinces passed by this treaty to the Central Powers, together with Courland, the Ukraine, Livonia and other territories in the south. Russia was shorn of a population greater than that of the whole Austro-Hungarian Empire, and

of a total area larger than that of Germany and Austro-Hungary combined.

This wholesale appropriation of lands and people by the Central Powers infuriated the Communist Government; but its leaders could not resist at the moment, and contented themselves with assiduous counter-attacks of surreptitious propaganda throughout Central Europe. Their domestic problems demanded all their immediate energies; and they possessed as yet no army loyal to their new political principles beyond a few hastily organized regiments of workmen in some of the larger cities. The vast military machine constructed by the Czars was melting away through wholesale desertions.

But even greater damage had been done the Central Powers, though they were slow to realize it. For the first time since 1914, the people throughout Central Europe had been given an opportunity to see the great Imperialistic war for what it was and to judge the performances of their rulers against official professions. While the German army discipline apparently remained intact, a germ had bitten it. The troops sent over the Russian border in the Spring of 1918 returned, as the German Chief of Staff remarked, "rotten with Communism" and it was decided not to send some of them to the West after all, lest the malady spread there. Distrust and doubt began to stir among the working populations of Central Europe more formidably. The infection, which had begun to prepare the two most powerful Empires in Continental Europe for their downfall and death, was tirelessly fed from over the Russian border.

The Brest-Litovsk Treaty was thus the first important event, after the November Revolution itself, in the history of the new Communist State. It was the first movement of the Communist idea in the domain of outside world affairs. It inaugurated a campaign of propaganda for world revolt which, Lenin and his followers imagined, would be soon forthcoming.

II

The Struggle With Chaos

Whatever the ambitious hopes of the Soviet leaders might be in respect to the outside world, realities at home demanded their closest attention now. The nation was in tremendous confusion, rife with uncertainties. Further handicaps of civil strife among contending factions threatened to make the tenure of the Communist idea and power short-lived. The transportation system was chaotic. Industry was in almost utter collapse. The economic structure was disabled. To strengthen and extend the bases of their authority was the first task to which the Soviet rulers set themselves. To develop a capable military arm for the defense of that authority was equally important.

The foundations were already existing in the workers, peasants and soldiers' councils—or Soviets, which had come into open existence during the year of revolutionary upheaval preceding the signing of the Brest-Litovsk treaty. In these local governing units, Communist influence had been working, gradually at first, later with extreme intensity, so that the Spring of 1918 found supporters of the Communist idea entrenched in most of the city soviets and in a smaller number of the rural organizations.

These councils formed now the first line for Communist attack upon the dissident factions swarming everywhere in Russia: the remnants of the Kerensky regime; the old Social Revolutionary Party of the peasantry; the turbulent Anarchist groups; the Royalists, and various other conflicting political fragments. On March 11, the capital was shifted from Petrograd to Moscow to insure greater safety through mass support from industrial workmen. Under the direction of Trotsky, who had turned the portfolio of Foreign Affairs over to Tchicherin, the organization of the Red Guard was begun in earnest. It was planned at first to make this a strictly class army in which none but carefully scrutinized members of the working and non-employing proletariat might be enrolled. As time passed,

and new pressure arose, this original scheme was modified: recruiting became more general and Communist control was insured by careful distribution of members of the Communist Party throughout the military forces.

The building of this new Russian army was one of the most brilliant feats in military organization in modern history. Experts, regardless of their political creeds, were pressed into service to aid under the eyes of trusted Communist agents. Every Soviet organized a military arm; and these were coördinated by districts, over which the central directorate headed by Trotsky presided. To safeguard positions of authority against counter-revolutionary infiltration, the War Office directed that the fullest publicity be given all names of persons seeking commissions; and public hearings were held on all applications under direction of the General Staff.

One month after the signing of the Brest-Litovsk treaty, when it was becoming apparent that the Germans intended to exceed even the liberal stipulations they had laid down for themselves in the Treaty, a decree issued from Moscow ordering all working men and non-employing peasants between the ages of eighteen and forty to undergo military training. The volunteer basis for the army was abandoned and conscription replaced it. By July, 1918, the first regiment of shock troops for Communistic defense was organized. The imperative need of military forces to defend the revolution was now growing every week and organization sped more swiftly. Where soldiers of doubtful loyalty were enrolled, they were put under surveillance of Communist agents. By mid-Summer, Trotsky had a small, well equipped, and well trained force of Red Guards at his disposal. By autumn it had grown to an army of 100,000, just as the long expected series of attacks from outside nations began.

The Red Army was created first to strengthen the control held by Lenin and his associates in the Communist Party upon the Russian Government. Its second function was defense against aggression from without. The Cheka, or Secret Police of the Communist Party Executive, had a more exclusively

domestic function. The full title borne by this dreadful organization indicates the nature of the task for which it was created. It was "The Supreme All Russian Extraordinary Commission for Combating Counter-Revolution, Profiteering and Sabotage". It had been organized immediately after the November Revolution by Dzerzhinsky, who, strangely enough, was a mild appearing, somewhat ascetic looking member of the higher councils of the Party. Under his direction, as the months passed, the Cheka became the most terrible and efficient instrument of terror the world has known since the days of the Committee of Public Safety in the Great French Revolution. Its power and its personnel grew steadily until it represented a secret political army, reaching into every corner of the area controlled by the Soviet Government. In the revolutionary times that brought it to birth, Communism was fighting for existence from a precarious seat of authority; and little time or sympathy were expended upon those found to be active against the continuance of the regime. The Cheka maintained agents in the Government departments and in the army, as well as in most cities and large towns; these watched unobtrusively for disloyalty, corruption, or graft in government, as they also watched for speculators, criminals, and counter-revolutionary plots in the country at large. Maintaining its own tribunals of justice, the Cheka executed its own sentences without consulting anyone or without the necessity of reporting to the Communist Congress in any detail on its proceedings. Faithless officials, bribe-takers and grafters, were speedily executed, as were criminals caught in the act of robbery, or violence against state property. The secret police tribunals were more implacable toward adherents to the Communist faith caught in wrong doing than toward non-members of their party: every major dereliction of a regular party member was adjudged treason to the regime and settled by a firing squad. The incognito maintained by the agents of this grim organization added to its power and to the public fear of its arm.

During the period through which Russia was now passing, and until the close of the period of interventionist wars,

in 1921, the Cheka was Communism's substitute for criminal courts: and this system operated with a cold impartiality and deadly speed in the dangers which now beset the Communist idea. There were still a large number of the old middle classes in Russia who were tenaciously opposed to the Communist rule and philosophy. Wherever their opposition emerged into the open it was met by the Cheka. To counter the more silent mass opposition presented by this group, the Soviet Congress proceeded with vigor. All rents, interest on mortgages, dividends from investments, coined gold, and other sources of income commonly enjoyed by this group of "the bourgeois" were abolished, or confiscated by the Government. The dissidents were compelled to go to work, together with those members of the defunct nobility who had unwisely lingered in Russia, tasks being assigned them by local Soviets as laborers, bill posters, street cleaners, construction workers, trench diggers, or on other lowly public occupations. As the period of the intervention advanced, these groups of the population were pressed into service as labor battalions. Finally, to destroy their remaining power, the Soviet State proceeded to make levies, through simultaneous taxation, upon all possessing classes in the population of cities and towns throughout Russia.

While thus moving against the middle class as a group, save in those instances where its members "saw the light", the Soviets dealt a swift succession of blows against the Anarchists, who had become unmanageable. For some months these revolutionaries had been let alone on the theory that they would give up their doctrine and join the Communist movement. But the Anarchists speedily proved their title by fomenting disorders; and soon criminals sought shelter behind the Anarchist banners. Whereupon the silent machinery of the Cheka was turned loose upon the whole Anarchist movement and, before the close of 1918, it was annihilated in Russia.

The policy of suppression of political opponents grew more rigorous than ever in the Summer of 1918 as intervention began and, with it, outbursts of civil war heralded the alliance between Russian anti-Communist forces in and out of

Russia, and the leading governments abroad. While the Red Guards were mobilizing to defend the frontiers, the Cheka launched a grim and fearful Terror to preserve the Government behind the lines. The "Dictatorship of the Proletariat," which meant the Communist Party, had become a reality.

This Party was and remains the dynamo of the Soviet experiment in Russia. It is a singular organization of zealots, almost puritanical in the rules it lays down for members who are sworn to poverty, obedience and sobriety in living. By mid-Summer, 1918, it was already a large organization with thousands of members: from some 200,000 in 1917, it grew slowly past the half million mark; and at the close of 1931, the enrollment exceeded 1,000,000.

Such then was the political party which held the reins in Russia, and such were the military and police systems instituted to insure its continuance in power and to further the development of the economic, social, and financial system which was to clothe the Communist idea with reality.

III
The Wars of Intervention

As the Spring of 1918 drew toward an end, the leaders of the Soviet Government believed they had won their struggle for domestic order. The task of political construction for the new Communist system was proceeding. Lenin declared before the Soviet Congress: "The civil wars are ended." Success in a policy of repressive pacification seemed for the moment achieved.

This was an illusion. The latent opposition to the Communist idea in Europe and the United States gradually awoke to action. Russia's withdrawal from the war had angered the Allied Powers; the peace treaty of Brest-Litovsk had infuriated them. In the most desperate hour of their struggle on the Western front their German foe was not only being helped by the elimination of one of his antagonists; he was also being provided with what appeared to be an open door to the sup-

plies he needed badly. The suspicion that their former Russian Ally was assisting Germany reigned in high quarters at London and Paris. Added to all this was the provocation offered them by the Bolshevik regime's open repudiation of Czarist debts—including the 20,000,000,000 franc loan which had been obtained from France and used partly to suppress public revolts against the Romanoff dynasty.

The first moves toward intervention in Russia were made with the approach of Summer by the great Powers acting jointly. It was explained officially that the action was being taken solely to prevent the immense Russian war supply depots along the old Russian-German front from falling into the hands of the Central Powers. Some sort of makeshift was to be tried to reconstitute the battle line there by the Allies, not for aggressive assault upon Germany so much as for the purposes of keeping the frontier closed and the blockade intact against their adversaries in Central Europe.

These official purposes did not disturb the Communist rulers greatly; indeed, both Lenin and Trotsky went as far as was permissible under the limitations placed upon them by the Brest-Litovsk treaty to facilitate matters for the Allied Powers. An offer was made by Lenin to turn the management of the whole Russian railway system over to an American director to improve transport facilities for the mutual advantage of the Soviet regime and the Allied policy.

By mid-Summer, however, signs began to multiply that the officially enunciated policies of the Allies with respect to Russia and the practice they had in mind were somewhat divergent. The objective gradually emerged as an attack upon the Communist regime with the purpose of overthrowing it and supporting efforts either at a monarchical restoration or a governmental system expressing the Social Democratic idea. The Department of State of the United States announced in June that joint action had been agreed upon among the United States, England, France and Japan. England, France and the United States were to collaborate in a movement from the White Sea in the north, at Murmansk. The United States and Japan were to land forces on the Far Eastern coast, basing

upon Vladivostok. The French and British, meantime, had begun plans for action by way of the Black Sea on the South, and through the Baltic States on the West.

As these dangers multiplied, the swarms of royalists and other anti-Communist counter-revolutionaries in Russia and along the Russian borders seized the opportunity to launch risings in several parts of the Soviet territories simultaneously, particularly in the Volga valley, where a legion of Czechoslovakian soldiers provided a powerful nucleus. These Czech troops were mustered from prisoners of war taken by the old Russian Imperial regime and liberated by the revolution, and from deserters who preferred to join Russia's Czarist forces rather than to fight for the Austrian Empire which oppressed their nationality. The Soviet Government had given them permission to organize after the November revolution, and to withdraw across Russia to Vladivostok in the Far East, so as to remove them from the immediate scene. But the Czech legion, as it withdrew across Russia, became increasingly embroiled with the local Soviets along the way and a series of bloody affrays determined the Soviet Government to disarm the expedition that its passage might be more peaceful. The Czechs defied the Communist decree; swarms of counter-revolutionaries began to flock to the legion; and as intervention by the Allied Powers loomed, the organization became one of the strongest military elements active against the Moscow Government.

In August, an attempt to assassinate Lenin at Moscow marked the real opening of the terrific struggle thus prepared. The immediate answer of the Soviet regime was to inaugurate through the Cheka a reign of terror against internal foes which, in remorseless ferocity, was quite without parallel in any modern human chronicle. The whole country was plunged anew into turmoil. During this terror, which continued until the more important Allied assaults ceased in 1920, 344 insurrections and counter-revolutionary movements within Russia were suppressed by the Cheka and 9,641 persons were executed by the firing squads of the secret police.

The main reasons for the failure of the campaigns of inter-

vention, which were now launched from every side against the Communist Government, became evident before the first of these expeditions had proceeded more than a few months. The Allied expeditionary forces in the Murmansk region of North Russia attracted droves of royalists and other factions found in that quarter. These, by their ruthless treatment of the settled population of the region, gradually alienated the peasant masses there, who at first had little real sympathy for the Moscow regime and were inclined to support the interventionaries. As weeks passed, however, the cumulative acts of the host of Russian restorationists transformed peasant sympathy into sullen indifference and finally into active hatred. The result of this was that the entire expeditionary force found itself confronted by a hostile population which burned villages and destroyed supplies rather than to permit them to fall into the hands of the invaders. By September, 1919, the danger in this situation had become too great for the continuance of intervention from the Murmansk region, so the Allied troops, after a final fruitless assault upon the evasive Russian forces, began withdrawal to the coast and the campaign was abandoned.

In the East a similar fate overtook the invaders. The Czech legion and other powerful anti-Bolshevik Russian forces undertook at first to set up a moderate opposition government for Russia based upon the Social Democratic idea. This attempt was speedily frustrated by the thousands of reactionary White Russian royalists who flocked to the support of the Eastern interventionary forces. Led by Kolchak, a former Admiral of the Imperial Russian fleet, the royalists seized control of the expedition, set up a bloody dictatorship, and proceeded to storm, pillage and devastate the countryside, seeking vengeance upon the peasantry for the overthrow of the Monarchy and the seizure of landed estates. The Russian moderates were soon alienated and dispersed under the resulting White Terror, which held complete sway over a great part of Siberia by August, 1919, and was supported by Allied troops numbering 120,000 and supplies furnished by Allied governments. With an army numbering in all close to 350,000, Admiral Kolchak advanced swiftly toward Moscow for a distance

of some two hundred miles, when he was met by 300,000 of Trotsky's revolutionary Red Guard forces, who administered a terrific defeat upon the interventionists and forced them into disordered retreat. The Red Army pounded the melting host of Kolchak across Siberia to Vladivostok where, in February, 1920, the interventionist dictator was assassinated by one of his own mercenaries.

All this time another and far more dangerous attack was being developed from South Russia against the Soviet Republic. Led by Denikin, a Cossack, and supported from the Black Sea by Allied troops, supply ships, and warcraft, Denikin swept Northward, planning junction with the forces of Kolchak and a joint assault on the center of Communist power at Moscow. The Red Guards had already defeated a force of 50,000 French and Greek soldiers in the Crimea and forced the evacuation of Odessa (where, by fraternizing with French sailors, they fomented a mutiny in the French Black Sea fleet) when Denikin set out in May, 1919, to retrieve the anti-Soviet cause in South Russia.

By Summer he held nearly one-fourth of Russia, had captured the whole Ukraine, and his cavalry were within two hundred and fifty miles of Moscow. But as he advanced through the vast agricultural regions of Black Russia, he turned over estates recaptured to the thousands of Russian nobles who had joined his campaign. These reactionaries, thinking only to exact an unforgettable vengeance for the destruction of their power by the revolution, repeated the performances that had taken place in North Russia and in the East, if anything with greater savagery and a more barbaric fury. The cruelties and the violence thus inaugurated accompanied Denikin's march, mile by mile; and the assurance and boldness of the restorationist hopes rose steadily until at last the reëstablishment of the Monarchy was openly proclaimed as the purpose of the expedition. One of the Cossack cavalry leaders immediately denounced Denikin's policy and deserted with his 40,000 troopers to the Soviet cause. At this moment, while the fury of the population in Denikin's path was rising to the point of explosion, Trotsky switched a strong army of Red Guards from the Eastern front,

where it had been fighting Kolchak, and hurled them at the restorationist invaders led by Denikin. The revolutionary soldiers, aided by the alienated Cossack horde, pounded the enemy to pieces and drove the expedition in pellmell rout. By early Autumn the fleeing cohorts of the shattered royalist cause were back at Sevastopol. Within a few weeks more, the Red Army had reached the city and, in November, only through the frantic efforts of Allied troop ships and warcraft was the remainder of the Denikin expedition saved from complete massacre.

On the Western Russian border, the Allied hopes centered in General Yudenich, who had assembled in Esthonia an army somewhat resembling that of Kolchak and Denikin. It was composed largely of émigré royalists and Russian Social Democrats, was financed from the Exchequers of the British and French Governments, and its equipment included British tank squadrons and French rifles. Yudenich's aim was to drive through to Petrograd and split Western Russia in half. Failing in the Spring of 1919, he reorganized, and in October resumed the attack with tremendous energy. By the 18th of that month he had reached the suburbs of the city of Peter the Great. But just at this moment, Trotsky, speeding another powerful Red Army from the East, struck at Yudenich's long line of communications on the Southern flank and drove the invaders in complete rout back to the Baltic and into Esthonia.

To these simultaneous and bloody assaults was added yet another in the Spring of 1920 when the Poles, greedy for territory in a quarter where the frontier remained as yet undetermined, rashly undertook an invasion of Russia on their own account, hoping thereby to add the greater part of the Russian Ukraine to their dominion. The Polish attack served to bring about a unity among Russians of all political creeds. Whereas, in the various other attacks Russia had been meeting, the foes were largely, or in the main, Russians by origin, in this new war an ancient racial animosity immediately stirred and woke. Former Czarist officials, dissident political minorities and even men who had once occupied positions of high command in the Imperial armies of the Romanoffs, came forward to offer

services to the Soviet Government against the Poles. Trotsky's military machine swung rapidly to meet the Polish troops who, almost unchallenged, had penetrated deeply into the heart of the Ukraine. A series of strong attacks transformed the Polish advance into a retreat; a headlong assault upon the center of the retreating line converted the retreat into rout. Trotsky pressed on the heels of the now thoroughly disorganized Polish forces, and within a few weeks was within cannon shot of the very gates of the Polish capital. Here, assisted by the French, the Poles held off the Russians and at length, in the late Summer of 1920, took advantage of the diversion of Russian forces against a new invasion from the Black Sea coast, to launch a counter-attack. The Russians were driven back to the Ukraine, where the momentum of their pursuers was broken by the arrival of General Budenny with nearly 50,000 Cossack cavalry. In October, a truce was arranged. The Polish war came to a formal end, however, only with the following March, when, by the Treaty of Riga, Poland was given a frontier acceptable alike to her and Russia and both nations pledged themselves to peace. Treaties with Esthonia, Latvia, Finland, and Lithuania completed the pacification of most of Russia's Baltic and Eastern European borders.

The same Autumn saw the collapse of the second interventionary cause in South Russia led by Baron Peter Wrangel, a former officer of the Czarist armies. Wrangel had fallen heir to the shattered remnants of the Denikin host in the Spring of 1920, and reconstituted a sizable army from them, basing upon the Crimea. From this quarter, he proceeded to open a drive the object of which was to enlarge the territories under his control sufficiently to permit institution of a South Russian Government. After consolidating this proposed regime (which was to enjoy support from the Allies by way of the Black Sea coast, the Crimea and the Danube) the plan envisaged a concerted attack upon the center of Soviet power at Moscow.

This scheme, like its predecessors, was weakened by the policy pursued by its émigré and ex-royalist supporters toward the resident populations, and was finally shattered as its divisions were driven back to the sea by Trotsky's victorious revo-

lutionary troops. Once more the Red Army swept down upon Sevastopol; and again Wrangel, with some 130,000 ragged and half starving refugees, sought flight in any craft available from the Communist vengeance.

While they were thus struggling for their lives and for the defense of the Communist idea in the North, East, South and West, the Moscow leaders had undertaken a counter-offensive against England which contributed in no small degree to their ultimate triumph against invasion. No sooner was discovery made that England was providing ships, men, and money against the Soviet regime in subsidized assaults, than Lenin turned loose a propaganda campaign in Turkistan, Persia, Afghanistan, Kurdistan and India. He formed an alliance with Kemal Pasha, leader of the young Turkish Nationalists. To strengthen the appeal of the Communist policy in all these quarters, Lenin began by repudiating wholesale all the Imperialistic concessions, rights, and territories Czarist Russia had wrung from these Eastern neighbors. He published and then tore up the secret Allied treaties of war days, by which Russia was to take the straits of Constantinople from the Turk, and he proceeded to write a set of treaties of restitution and friendship with all the peoples along Russia's Southern border. At such a game England and France were hopelessly handicapped: to compete with it would have meant a retreat from Empire which neither proposed to make. So, as Russian appeals began to rouse the enthusiasm of the vast Moslem populations in Central and Near Asia, England became alarmed about the safety of her richest possession, India; and by February of the next year Premier David Lloyd George explained before Parliament that all expectation of overthrowing Soviet Russia by force of arms must be abandoned, first, because the Border States were "preoccupied", and second because England needed a resumption of trade with Russia to get industry going again. In the negotiations opened in July, 1921, at London, British alarm over the inroads of Bolshevist propaganda among the Mohammedan peoples expressed itself in a demand for mutual abstention from this sort of weapon.

Lenin's Government was fully as desirous of ending the

wars as any of its opponents, European or Asiatic. His diplomacy had kept pace step by step with the military successes of Trotsky's soldiers. He had undertaken the negotiations which destroyed the pro-Ally unity among the states on the Baltic border by weaning Esthonia from the combination; had destroyed the British influence in Persia; had checkmated Japan through the Far Eastern Republic at Chita and by Bolshevist propaganda in Korea, Manchuria and China. The Spring and Summer of 1921 witnessed progress toward new trade arrangements not only with England, but also with Italy, Denmark, Sweden and Canada. In the East, the rise of the Far Eastern Republic, March 28, 1921, was followed by its merger with the Soviet Republic after the Japanese dream of Siberian Empire had been shattered. In the West, the tumult gradually died away as the little Border States turned to Russia for support against the claims of a Poland still avaricious for territory. In the South the small Social Democratic Republics of Georgia, Azerbaijan, and Armenia, were captured by Communism and formed into the Transcaucasian Federated Socialist Soviet Republic, which was later to be incorporated in the Soviet Union. A wild scramble was beginning in oppressed and shattered Europe for food and raw materials and trade resumption.

IV

A Revolutionist Turns Evolutionist

The power of Vladimir Ilyitch Ulianov, who is known to history as Nicholas Lenin, lay in an unusual combination of qualities of mind and character. His proficiency of economic thought was quite remarkable. In addition he possessed a capacity for impersonal, lucid analysis of problems of the moment against their deeper backgrounds; a powerful will, which he knew how to impose upon his Communist associates; and a political realism which was unafraid to face facts and accept them as determining policy even though they offered complete contradiction to the Communist philosophy he professed. This statesman, who incarnated the idea of Communism, was a

strange blend of revolutionist and evolutionist. In the former role he, more than any other man in Russia, was responsible for the launching of the Bolshevist doctrine. He guided its course during the first months of underground attack upon the Social Democratic Republic of Kerensky. In the earlier months of the Communist coup, his iron hand and clear head became the indispensable supervisors of the revolution. In the diplomacy with which he accompanied Trotsky's military efforts, he enlarged opportunity wherever he could. It was he who proclaimed that the Communist State was unsafe unless accompanied by a world revolution.

In the new problems of peace and reconstruction which he faced as intervention ended, his abilities as political evolutionist became apparent. Attempts to nationalize land, forests, minerals, together with all the major instruments of production, transport, and finance in Russia had proceeded since the advent of the Communists to control; but the industrial chaos resulting from Czarist failures in the World War, the first revolution, the Communist coup and terror, and the efforts of unschooled and inexperienced Communist enthusiasts, grew steadily worse. Communism as envisaged by Karl Marx had been intended for a highly industrialized state; the land in which that idea now held sway was, industrially, one of the most backward of all great nations, with an overwhelming majority of illiterate peasants. Dogmatic attempts to impose an industrial idea upon a population nearly 80% agricultural in habit and traditions, in a country where the whole economic life was disrupted by revolutionary upheavals and civil wars, led to results that might easily be imagined. Neither by experience nor by abilities were the proletarian workmen competent to take over, wholesale and retail, the industrial equipment now in their hands and run it with efficiency or success.

Yet that was what Lenin and his associates attempted when the November revolution endowed them with power. In June, 1918, the nationalization of all major industries was decreed, and an Economic Council was created to supervise and coördinate the undertaking in its multifarious parts. The Council soon discovered its own limitations as production fell

off. Nationalization of finance failed to halt the inflation of currency. The peasants, who first had hailed Communism's gesture in confirming the division of landed estates among them, grew restless and obstructive when they discovered that nationalizing the land implied government ownership and control, which jeopardized their possession and required of them delivery to the State of all surplus production at a fixed price, paid in depreciated paper currency. When the Government, desperate for food supplies to meet the demands of the industrial centers, undertook requisitioning of grain, the peasantry inaugurated a campaign of passive resistance, hiding their harvests, cutting down on their plantings, even in some cases preferring to burn their grain rather than to surrender it to the official collectors.

Unrest in hungry cities and passive rebellion in the country threatened to bring the Communist scheme of things to a speedy end. To prevent this, Lenin decided upon bold steps. The terror had waned early in 1920, leaving a thoroughly cowed Russia behind it. Lenin, to forestall further danger in the industrial areas, immediately decreed the taking over of all labor unions by the State. This ended the power to strike. Next, a system of civil courts was developed to replace some of the functions of the police; 20,000,000,000 roubles were appropriated for a drive against illiteracy; the school system was thoroughly overhauled to make it a better channel for the spread of Communist doctrine; and public instruction trains began to travel the country, teaching the backward communities hygiene, health—and Communism.

As the economic situation grew worse Lenin urged that all power should be centered in one man. It was. The man was himself. Simultaneously, the wars being ended, Trotsky's gifts as an organizer were applied to the labor situation. The "labor army" made its appearance, under semi-military discipline. Again and again this idea was to be employed in critical moments as Communism felt its way forward. Finally, as some vestiges of order began to appear in the economic life of the nation, Lenin startled his followers by proclaiming the necessity of a New Economic Policy.

The New Economic Policy which Lenin proclaimed in the Spring of 1921 was, in substance, an announcement that Communism in Russia had attempted a task beyond its immediate capacities to carry through: Communism as a social-economic doctrine and Communism as a practical matter were divided one from another. Dogmatism, Lenin decided, would effect no rescue for Russia and would serve only to bring down the whole Communist idea. The experiment must be brought within manageable compass and for the time being the rest of the task would have to wait more favorable circumstances: a retreat toward modified capitalism must be made as a concession to improve future prospects of success. The world revolution had not come off; till it did, realities must be faced as they were.

The New Economic Policy proposed the leasing of valuable resources of Russia to foreign concessionaires for exploitation—the inducement offered being an enticing share of the profits, most of which were of course to go to the Soviet State. Small traders, whom Communism had outlawed, were to be permitted to operate freely once more; this, although it was a step back from the Communist idea, was considered safe because the State remained in full control of factories, larger industries, transportation and foreign trade. The peasants lacked class consciousness from the Communist viewpoint—or rather they possessed a stubborn class consciousness of their own based upon their economic function. This was recognized by NEP, as the New Economic Policy was called. More liberal measures were devised to reduce peasant hostility and to push forward the education of the rural districts in Communistic theory, to the end that the peasantry might be induced to identify its welfare with the Soviet State. Forced grain requisitions were abandoned, and a fixed tax in kind was substituted. Later this became a fixed money tax. So the incentive to produce was restored. Furthermore, though the lands remained national property, Lenin made it plain that no peasant need fear loss of his acres so long as he kept them in use. A system of leases running almost a century was created to settle this controversy; and renewal rights gave the peasant and his family almost indeterminate tenure.

NEP produced the first serious controversy the Communist Party had faced since its accession to power; but though the dispute raged hotly, Lenin's will prevailed. The revolutionist, his primary objective gained, was turning evolutionist that the Communist idea might develop at a safer pace and in constant touch with those realities which, ignored, would inevitably destroy it. The policy produced immediate results in industrial production. But just as the first indications of this turn of affairs became evident, famine stalked through the great valley of the Volga, taxing the energies of the whole nation and momentarily interrupting the economic program the Soviet Government had laid out.

The causes of this calamity were simple enough. In the Volga devastation had been wrought by Denikin's armies, first in their advance, and later in their retreat. Furthermore, owing to the feuds that had sprung up between the resident populations and these invaders, many of the peasantry had added to the deliberate destruction in order to embarrass the invaders with shortage of supplies. On top of all this came a drought which all but ruined the next crops. In addition, came the peasant planting strike, which was aimed at the Communist Government's food requisitions.

Thus about 25,000,000 people found themselves caught in the ghastly tragedy of starvation over a region thousands of square miles in extent. Cholera added to the horror. As the calamity grew in proportions leaders among the Russian intellectuals, headed by Maxim Gorky the novelist, ignored the vetoes and doubts of the Soviet rulers and appealed to the world for aid. The whole outside world, regardless of its distaste for the Soviet State, responded with funds and supplies for the emergency. The Soviet leaders themselves organized a vast system of relief committees, but shortages hampered the operations of these units. Finally the people of the United States came to Russia's aid, with huge quantities of food and medical supplies, and an expert relief organization.

V
From NEP to the Five Year Plan

The controlling idea of NEP was to shift from a wholesale attempt to apply Communism's program to Russia to a sharply modified plan of advance, temporizing with circumstance where need arose. While the Government pressed on with its policy of nationalizing the larger industries, it gradually restored more independence to the smaller ones, thus ridding itself of an enormous burden which it was in no way fitted to carry. Between its promulgation, in 1921, and the death of Lenin in 1924, NEP evolved steadily in flexibility and realism. Its consequences were a steady improvement in industrial organization and efficiency. The earlier period of too much centralized control gave way to decentralization in which each industry was constituted as a unit by itself, as a State Trust, placed in the hands of a chosen board of management responsible to the Commissar of Labor and Industry, and through this to the Economic Council. Subject to such supervision as a part of the industrial chain, each unit was nevertheless permitted considerable liberty of initiative to show what it could do.

The policy was applied to the peasantry, through abandonment of grain requisitioning by force with paper payments and substitution of taxes in kind, based eventually (in 1924) on a money tax when the Government had revised and stabilized the financial system of the nation, retiring the worthless paper and creating a new money unit backed by a gold reserve. This new agricultural policy permitted great freedom for initiative and gradually led to a multiplication of the richer peasants, or Kulaks, who, by superior enterprise, began to extend their land holdings by leasing the acres of their less energetic neighbors whom they then hired as farm hands. The Government by 1925 noted this and took steps to check the trend, but with little avail at the moment. The need for increasing food supplies for the cities made it unwise to derange the whole agricultural system by opening a war on the Kulaks, whose efforts were

increasing production. So this problem was suspended for the time being, while effort was centered on increasing the industrial production of the nation.

The problem here was fourfold: the role of the Labor Union had to be clarified, for the unions, next to the Communist Party itself, were the chief reliance of the Government among the population; the industrial plant had to be restored and enlarged; the money system of the nation had to be reorganized; and foreign contacts, represented by concessionaires, markets and import credits, had to be secured.

The assumption by the State of control over the unions in 1921 was gradually modified under NEP to permit these units greater freedom and initiative in organization. The State Trusts and their employees were assisted toward new and more satisfactory relationships under the guidance of the Commissar of Labor and his department. Reconstruction, new industrial equipment and order, were brought gradually into the industrial field, beginning with the railways. The reform of the currency, begun in 1921, was carried forward in 1924 to a State banking system which completed the nationalization of Soviet finances through an elaborate system of financial institutions of all types under a central State control. This step was of immediate importance to the development of the new policy respecting foreign concessions for exploiting Russia's raw material resources.

NEP was working reasonably well with the problems of labor and industry, though industrial equipment was still in a deplorable condition. But now a new problem arose out of the permissive freedom granted the small traders. These traders grew rapidly in number and the Government decided that they were becoming a danger to the State; so a new policy of establishing and expanding chains of State and coöperative stores was inaugurated to "liquidate" the traders.

As the peasant problem had dominated the earlier destinies of the Russian Revolution, so now it arose again in acute form with the rise of Kulak power and before long occasioned a wide rift in the Communist Party. At Lenin's death in 1924, Joseph Stalin, a Georgian peasant, fell heir to the mantle of

leader in the dictatorship of the Communists. His rise was not acceptable to Leon Trotsky, who had been Lenin's right hand collaborator; and as a result, Stalin was at first compelled to share authority with the organizer of the Red Army, a powerful figure in all the important Party organizations and also commander-in-chief of the armed forces of the nation.

These two men provided a striking contrast. Whereas in Lenin, the revolutionist and the evolutionist were more or less harmonized in a single personality, in Stalin and Trotsky these two characteristics divided: Stalin with his peasant origin and the caution common to it, came to represent the evolutionary attitude toward the Communist idea in operation: Trotsky remained what he had been from the beginning, a revolutionary firebrand. The former followed Lenin's course in deciding that world revolution was unlikely as an immediate development. So he elected to guide Communism step by step through compromises toward the goal. The latter continued to see world revolution as an immediate possibility. So he believed that the Government must favor the industrial workman, who was inclined to back Communism, over the illiterate peasant, who was yet to be won to Communism.

As a result of these diverging characteristics, Stalin and Trotsky soon came into collision. The power of the former lay in the less spectacular members of the Party, the veterans of the Communist cause; the authority of the latter was brilliantly supported by the more ardent of the revolutionaries, many of whom were ensconced at the controls of the Third International.

Stalin, who possessed all the acuteness and patience of the Russian agrarian, was endowed besides with an extraordinary finesse at political manœuvre. Gradually he strengthened his hold on the Party executives and, as he did so, his attack on Trotsky's faction sharpened. The unsatisfactory plight of the peasant masses, the steady increase in the numbers and wealth of the Kulaks under NEP, now made a revision of policy necessary and this threw the two contending leaders into a bitter open struggle for control. In that contest, Stalin skill-

fully employed Trotsky's revolutionary headstrongness to bring about Trotsky's downfall.

In 1925 the two factions were already at loggerheads but Stalin preferred to move gradually. So he engineered Trotsky's dismissal from the headship of the War Department and from the Council of Labor and Defense. While accomplishing this, Stalin also caused the expulsion of Trotsky's lieutenants from the army and navy. The former Commissar of War was forced to go into "voluntary exile" in the Caucasus to "recover his health". Then Stalin decided to extend NEP and bring in more foreign concessionaires. He was denounced as betraying the revolution by men in his own ranks whom he immediately demoted to positions of minor importance. In 1926 Trotsky decided that the anti-Stalin forces were at last strong enough for concerted action; and the expulsion of the dictator from the Communist Party was attempted. Stalin won again. Since Trotsky and his supporters refused to bow to defeat, Stalin turned the GPU—which was the successor of the Cheka—upon the dissidents as counter-revolutionaries. Trotsky and his chief supporters were expelled from the Party fold; the former Red Army commander was exiled to Turkestan, and was finally deported from Russia. He established himself in a villa near Constantinople, and turned his attention to writing history and tracts against "Stalinism".

Stalin's victory did not blind him to the fact that the problem of the Kulaks must be met. He began a skillfully arranged plan of attack on them, his strategy being based upon the need of a preliminary safeguarding of the food supplies of the cities. To accomplish this initial step, he launched a project of State and Collective farms, on which the poor peasants were given every assistance of technical advice and aid by the State. The State farms were equipped with the best modern agricultural machinery, well supplied with all requisites, and provided attractive inducements to the peasants to work. The Collective farms consisted in the pooling of tillage among groups of villages, the State providing agricultural equipment for common use among the various participating village units.

During all this time, the directors of the Soviet economy had failed to attract outside capital in sufficient volume to meet the needs of industrial reorganization on the scale they desired. They had also come to the discovery that the policy of Communism in the domestic field, even under the favorable auspices of NEP, was too slow. Something at once more comprehensive and more detailed—something which looked toward the coordination and directed growth of industry in specified terms of a productivity stepped up, year by year, as capacity developed —was needed if the transformation of Russia under the guidance of the Communist idea was to proceed with order and efficiency. The original scheme, which called for immediate and simultaneous nationalization of everything, had been broken down under pressure of realities. NEP had started the wheels going toward recovery but it was not bringing results swiftly enough. Russia's leaders saw that the safety and security of the Soviet State depended much more directly upon the industrialization than on any diminishing hopes of world revolt.

The result of this situation and these conclusions was the Five Year Plan.

VI

Gosplan—Its Origins and History

The economic history of the Bolshevik revolution had passed first through a period of chaotic uncertainties, rash experiments and doctrinaire formulæ which failed to fit circumstances usefully. This period spread roughly from the accession to power in November, 1917, till the triumph of the Red Armies and of Lenin's diplomacy made it possible to turn with more realism to the problem at hand. The second period opened with Lenin's proclamation of NEP in 1921 and closed with the year of his death in 1924. During this period the Soviet State set to work to rehabilitate industrial output—which had fallen to 15% of pre-war figures; to revive agriculture, which had decreased almost 50% in production volume as compared with 1913; to restore railways, where almost 25%

of the equipment and lines were in ruin; and to rescue and reorder finances, which had been depleted and wrecked by almost seven years of unsettlement. In bringing about these beginnings, Lenin had revealed a hard-headed practical wisdom. Though his belief in the doctrines of Communism remained unshaken, in matters of economic policy he was always the ruthless pragmatist: if a thing worked, it was right; if it failed, it was wrong. This quality of his thought had strengthened more and more as his power grew and his influence deepened in the society he was guiding. Ultimately, the Communist idea should prevail; meantime policy must accommodate itself boldly to fact and experience. During the last four years of his life, and even in the last year of his long illness, his scheme for State Socialism had developed steadily but decentralization had been invoked to assist the process. Something over 85% of all Russia's larger industries were built into State Trusts, supervised and coördinated by the Supreme Economic Council and the Council of Labor and Defense. Initiative had been restored to the units in this system. The small traders or "Nepmen", when they grew too numerous, had been eliminated and a process of chain stores for retail business conducted by cooperatives or by the State direct, had left less than 16% of Russia's domestic trade in private hands. Thus every new compromise with the capitalistic system in practice produced a counter-check in the interest of the Communist idea.

The third period of economic evolution grew directly from Lenin's practical attitude. Indeed, it was from one of his original ideas that the famous "Gosplan" and the Five Year Plan were eventually developed. As early as 1920, when he was working out the NEP, Lenin had dreamed of a vast electrification scheme for Russia. For this he appointed a Commission which was directed to draw up a step-by-step program covering a fifteen-year period within which this electrification was to be accomplished. As a result of the success of this undertaking, the Soviet Economic Council decided to broaden the base of the scheme.

Between 1921 and 1927 the Council studying this plan busied itself with an effort to discover facts as a foundation

for the next step. Between 1924, when finances were stabilized, and 1927, every industrial branch in Russia's economy was scrutinized month by month, and an attempt was made to discover the control figures for each industry—that is, its normal productive capacity as conditions improved, and the percentage, if any, of increase in that production. These studies incidentally assisted the various industries toward orderly development even as the facts accumulated; and by October, 1928, the Five Year Plan had been constructed and was ordered into operation.

No more ambitious program for the development of a great nation has ever been put together in modern history than the vast Gosplan of Soviet Russia. The scope of the undertaking is sufficiently revealed when it is noted that the Five Year program was prepared as but part of one of an even larger scheme for directed industrialization. The project was so vast and unprecedented that the outside world greeted it first with incredulity, then derision. Doubts seemed quite reasonable, too. For Gosplan proposed to take one of the most backward of major nations, a population illiterate to an extreme, and transform it completely according to a calendar schedule.

Industrial output for the five-year period was to be increased 136%; agricultural output was to be stepped up 55%; railway operations were to increase 85%; electric power output by 400%; construction undertakings by 400%. There was to be 100% increase in coal and oil production, an increase of 400% in the production of agricultural machinery, iron and pig iron output was to be trebled, and chemicals were to rise 2,200% in production volume. In addition, the Plan covered education and culture, public health enterprises, drama, and book publishing. During the five year period, some $40,000,000,000 were to be expended on the Plan, wages were to rise in real value 80%, and national income was to be doubled.

The Plan called for industrial construction on a staggering scale—foundries, factories, docks, shipping, mines, timber plants, chemical centers, electric power centers, railroads, housing, public utilities. In addition to a year by year schedule for

the multiplication of industrial equipment, it laid down production goals which must be attained by each branch of industry each year. To man the growing plant a system of technical schools was added to the Plan and foreign experts were arranged for to direct essential construction and supervise operation during the interim period. Technicians were summoned from Europe and the United States and put on high salaries. The greatest engineering firms abroad were offered contracts.

Inasmuch as foreign credits were unavailable because of Communism's attack upon the idea of private property, the expenses of the Five Year Plan had to be met by Russia herself. Consequently the program as laid down included a carefully detailed scheme to cover this phase of the project. Approximately 85% of the necessary new capital was to come from profits of industrial operation thrown back into production. Part of the remainder was provided by taxation; and the rest of the sum needed was to be obtained through internal loans.

When the Five Year Plan was launched in 1928, Russia took in her belt and set her face toward a long prospect of food rationing and drastic economies in living. Only by keeping expenditures to a minimum could the Plan be advanced toward success. So Russia laid a ban on all luxury imports of whatever nature. The continuous working week was introduced in industry to keep production going without any interruptions, the rest day for the members of the working forces being arranged for on a stagger system and the month being redivided into six weeks of five days each. Under this arrangement, the workman received one day off each week. In 1930, 63% of all Russia's industries were operating on this system. Further speeding up came through factory competitions with the State Trusts; industrial units, working upon the same or similar production tasks, contested for prizes, each seeking to reach the production goal set for it by the Plan ahead of its competitor and ahead of schedule if possible.

In agriculture the Five Year Plan proposed to transform Russia from a nation of small farms to a collective economy more in keeping with the Communist idea. The State farm

and the Collective farm became, accordingly, the working base of the farm program. The object, in the instance of the State farms, was to create huge agricultural factories, thoroughly mechanized, operated by specialists. The Collective farms were arranged on a somewhat different plan, offering the peasant a greater opportunity to exercise his individual initiative, yet inexorably absorbing him into a system that tutored him in the advantages which he might expect from adherence to the Communist cause. Thus, when a group of villages threw their lot together and formed a Collective farm under the Plan, they would immediately enjoy advantages denied the peasantry continuing under the old village system of individual holdings. For the Collective farm a collective system of schooling, hospitalization, technical advisers, recreation, and mechanization was furnished.

As the program developed in 1928 and 1929, the doubts in the outside world slowly changed to wonder; but it was not until the close of 1930 that world attention was roused to astonishment by the performances of the Five Year Plan. By that time it was evident, even from the most hostile studies, that Gosplan was working and even, in important instances, was exceeding the schedules laid down by the Planning Commission to govern production. When, in the Autumn of 1929 the first anniversary of its operations was reached, the total industrial production volume was 2% in excess of the program called for that year. By July, 1930, announcement was made before the Party Congress at Moscow that the Plan schedules for production in coal, oil, peat, tractors, automobiles, lumber, shoes and salt would be completed in three years instead of five as originally planned. The pace of development showed further that the steel and paper schedules would be completed in three and one-half years. At the close of the second year the capital investments called for had been exceeded by some 70%, and the whole Plan was 43.3% fulfilled though the program for that date called for but 30% fulfillment. During the third year the twelve months' program was exceeded by nearly 30%.

Reduction of producing costs, and maintaining quality in

output, were not so easy of achievement. Russian labor was still too unfamiliar with its new role and too accustomed to a lazy inefficiency. As a consequence, the labor turnover as the Plan progressed became one of the most startling features of the undertaking. In many important instances this began to affect production schedules adversely. The great tractor plants and heavy industries suffered equally with mining, power and lighter machine works. Finally, the situation reached a stage which demanded heroic measures. "Young Communist" economic shock brigades of volunteer workers were organized and thrown into the struggle at the weakest points, particularly in the timber, transport and mines industries, to force production up to the mark. Then, in May, 1931, Joseph Stalin, the Communist dictator, set himself to solve the problem with a policy which followed the line of the pragmatic tradition of Lenin. He inaugurated a system of special rewards for workmen who displayed efficiency and skill: in other words, a wage plan founded upon individual proficiency. This was another compromise for the Communist idea since, till that moment, wage scales in Russian industry had been regulated at a specific level in each of seventeen categories into which labor was divided, though the figures varied in the different groups. The decree broke down this rigidity and opened the way to greater initiative by installing an expanded piece-work system. This was an invitation to Communist labor to improve its earning power by its own efforts. The effect was immediately noticeable.

Simultaneously, the strain upon the whole nation having reached a danger point, what with rationing, furious energy expenditure, and nervous tension, the dictator in the Kremlin proceeded to ease it by modifying the rigors of the regime as pertaining to living comforts.

One of the most important parts of the Five Year Plan—the agricultural program—ran into a snag in 1929 when the Kulaks once more organized stubborn resistance to the Collective farm movement. Inasmuch as a few of these rich peasants sufficed to obstruct the creation of a Collective in a whole district, action was required if the farm program was to advance as scheduled. During 1929 and 1930, therefore, the Soviet State

opened a severe campaign of pressure upon the Kulaks. The situation grew rapidly worse. The hostile peasants burned their crops, slaughtered their cattle and had recourse to other stratagems to obstruct the Government's program.

What followed was one of the most cruel and unequal struggles Russia had witnessed since the days of the Terror. The Kulaks, numbering but a small minority among the peasantry, were widely scattered and therefore incapable of unified action. With the advent of violence in the farming regions, excuse was offered the Communist State for direct repression. The Kulaks were treated with ferocity—their bitterest enemies being not so much the Government forces as their poorer peasant neighbors. The "liquidation" of the Kulaks was thoroughgoing. Thousands of them were exiled as counter-revolutionaries to Siberia, where they were given work in the Soviet lumber camps.

By this time, however, the movement of the peasantry into the Collective farms and State farm factories had become so tremendous that it threatened to swamp all available facilities and wreck the agricultural program. This rush was accordingly halted by Stalin, who insisted upon a more orderly process even if it forced drastic slowing up of the socialization of the Russian farming elements. The progress of the Five Year Plan in agriculture can be grasped from the fact that, while the Five Year schedule called for socialization of about one-fifth of the acreage by 1932, nearly 50% of all peasant holdings were collectivized in 1931.

It was this tremendous rush in agriculture which enabled the Soviet Government to liberalize the public food rations and modify the program, here and there, in 1931, so as to mitigate the strain on the nation. Furthermore, it provided Russia with an abundance of agricultural exports which hit the world market with a tremendous shock.

The favorable progress of the Five Year Plan was due to revolutionary energies, to an imposed program of national sacrifices for the future, and to an intensive propaganda campaign waged by every agency of publicity within the reach of the Soviet regime—schools, lectures, radio and press. These

lashed public enthusiasm endlessly. The enormous increases in productivity, as time wore on, offered the Government opportunity to spell out the progress of the Plan by improving the general living standards. Also, the pressure of the demand for technical machinery from abroad had gradually modified the attitude of the outside world, especially in Europe, toward the Communist State. An economic depression unparalleled in extent and severity, gripped Asia, Europe and both Americas, boosting unemployment in the Western world alone during 1930-31 to almost 20,000,000. The contrast offered this situation by Russia, which experienced an actual shortage of labor in the semi-skilled and skilled ranks, which sent out calls for thousands of machinists and foremen to Germany, England and the United States, was too strong to fail of attracting attention toward the Russian experiment from both the belt dominated by the Social Democratic idea in Europe and the regions of America where the ideal of Individualistic Democracy found itself in difficulties. By 1931 the Five Year Plan had thus become an educative force, not only in Russia, where it compelled compromises away from the earlier radicalism of the Communist philosophy, but throughout all those parts of the world where modern industry holds sway. As the volume of Russian exports grew formidably, due to the Soviet Republic's eager hunt for outside credits needed to finance its purchases abroad, nations like England, where industry depended upon exports for existence, moderated their earlier hostility. By mid-Summer in 1931 even the staunch Conservatives, who, as a party, had fought Russia during more than a decade, declared it no longer desirable to quarrel with a great and growing customer. Thus, the forward march of Gosplan was writing a new chapter in the evolution of Soviet Russia's foreign policy.

VII

Russian Foreign Policy Under the Soviets

As the Communist idea rose in Russia, bringing into national authority a social and political thesis opposed to the

whole order of things European and American, the earlier reaction of that order to the strange, new portent was one of utter incredulity. During the first months of the Bolshevist ascendency Russia's former Allies maintained their diplomatic representatives at her capital; and from these a steady stream of inaccurate judgments of the new regime's stability flowed to the capitals abroad.

This was not strange, for the diplomatic corps at Petrograd had become saturated with the old traditions of the Imperial court diplomacy of the Romanoffs and had come to accept the conception of the Russian masses entertained by an aristocracy already doomed to extinction because of its blind stupidities. Of the energies latent in that vast anonymous multitude the diplomats knew little and guessed less. So, at the hour when the Provisional Government of Kerensky and the moderate revolutionaries collapsed, owing to its failure to pierce to the real meaning of the peasant clamor for land and the public clamor for peace, the official diplomatic corps at the Russian capital continued in the egregious blunder of misinterpreting Communism's immediate attempt to meet these two tremendous public demands.

So incomprehension drifted along until at last it struck the ledges of Brest-Litovsk, whereupon it speedily disintegrated. One by one the diplomats began to go home. Russia's withdrawal from the war and the blizzard of revelations which the Soviet revolutionaries let loose from the official Archives of the old regime, stung to universal fury the contending governments in Europe. The Treaty of Brest-Litovsk endangered their military success. The publication of the secret treaties and diplomatic correspondence bruited abroad the facts as to the real nature of the war in which all were engaged. The repudiation by Russia of the 20,000,000,000 French franc loan added to the hostility which the Communist revolution awoke in Europe; and the appeals of Lenin and Trotsky for world revolution against the capitalistic order added the finishing touches. Soviet Russia was proclaimed an international outlaw.

By these beginnings the entire subsequent history of the foreign relations of the Bolshevist Government was colored.

In every succeeding phase of policy development they had a part, whether major or minor. A nation had appeared upon the world horizon whose rulers proposed not only to play the game by an entirely different set of rules which they fashioned for themselves; but also to demolish the rules which other nations accepted and preferred. To this unheard of proceeding the immediate answer was an attempt, through intervention, to destroy the newcomer in his own haunts lest contamination spread.

Soviet diplomacy made its debut upon the world scene, therefore, in the dual function of revolutionary agent and defender of the Communist idea at home; it was offensive and defensive. Throughout the first phase, which ran from the writing of the treaty of Brest-Litovsk to the final failure of intervention and the proclamation of NEP in the Spring of 1921, these two objectives dominated its activities. Lenin believed that Capitalism and Communism were mutually incompatible orders of society on the stage of the world.

In Europe, this policy created dangerous confusion, but it enjoyed small success. Support thrown to the Spartacan revolt in Germany had the result of rousing the champions of the Social Democratic idea and even brought to their assistance many foes of the young Republic. So the coup failed. Though Bela Kun ran red riot in Hungary during 1919, he and his cause eventually collapsed before the fury of the counter-attack from neighboring states, where the idea of democracy was beginning its march. Through the whole of the European belt the masses of the population, defeated or victorious, had little or no taste for the inevitable excesses of a Communist revolt which, moreover, few of them now considered necessary in view of their recent changes of political loyalty. In the United States, the fanaticism of the Russians appeared even more completely at odds with public experience of government and with the idea of Individualistic Democracy through whose efforts that government had come into existence.

Hence, Soviet diplomacy failed in its first phase to attain its revolutionary objective in the West and triumphed only in its defensive strategy. In this last, however, its successes were

important. They had begun among the small Border States in the Baltic, during the counter-revolutionary period, and had spread gradually around Russia's Southern limits into the heart of Asia and finally into the Orient. Vigorous attempts to create Bolshevist allies among the Baltic States came to nothing, because the Baltic States immediately became the battle line on which the Social Democratic idea of Europe stood to its defenses. This policy was next changed to conform to realities and Russia sought peace on the Western frontiers as a step toward safeguarding Communism at home. When Lenin came to deal with Poland, he had no illusions about Communist revolutionary prospects in that quarter and had begun to doubt the likelihood of immediate revolution beyond Poland in Europe. So he offered peace, and after a brisk passage at arms between the two nations, ending in a draw, he finally managed the Treaty of Riga early in 1921 and the Western border troubles quieted down. Thus between 1918 and the close of the intervention period, Russian foreign policy had shifted its base: instead of security through revolution among its neighbors, it sought security through peace in the creation of a buffer line between itself and the remainder of Europe. The world revolution had failed completely.

In Asia Lenin's diplomacy met with greater success, partly because it had less to fear in the nature of active onslaught—save from Japan—partly because the indefatigable Slav in the Kremlin had an advantage over his European foes in the matter of understanding Asiatic temperaments. Unable to reach the United States and retaliate against her for contributing to the interventionary wars, he found means of striking at England, France and Japan.

Anglo-French interests in the Near East and British interests in India and Central Asia bore the brunt of this diplomatic assault. To stimulate the nascent cause of Turkish nationalism, Lenin published the secret treaties Russia, England and France had made regarding the carving up of Turkey. He followed this with an official renunciation of all Russian claims set forth in these treaties together with all other Russian

claims concessions and rights in that quarter. Early in 1921 he concluded a Russo-Turkish treaty of peace and friendship.

Persia, before and during the war, had been a battleground of Russian and English Imperialisms. In February, 1921, Lenin wrote with Persia a "treaty of restitution, friendship and security" by which Russia cancelled all the old Czarist concessions and rights in that quarter, together with the debts Persia owed her Northern neighbor. As a consequence of this treaty, British prestige declined rapidly, and its agents soon withdrew from Persia together with the Shah, who had been instrumental in fostering British penetration.

Swinging down to Afghanistan, Lenin pursued the same course of liberality just at the hour when India beyond the Khyber Pass was stirring wrathfully as a result of the Amritsar Massacre. Advancing with a corps of propagandists, Lenin wrote another of his treaties of restitution, friendship and independence.

Similar forays by the Soviet diplomacy in the Trans-Caucasus and in the Far East resulted in the creation of a group of friendly Socialist Republics along the Caspian and the erection of the Far Eastern Republic at Chita in Siberia. The latter became the bulwark of resistance to Japanese Imperialistic ambitions in Siberia and the headquarters of a counter-attack of Communist propaganda directed at Korea, Manchuria and China, which induced Japan to give up her dream of new Siberian territories and come to terms, whereupon the Far Eastern Republic joined the Union of Socialist Soviet Republics. Lenin's policy in China not only won him the friendship of the revolutionary cause there; it enabled him to kindle fires of resentment against an entrenched foreign Imperialism among the Chinese, thus levelling another blow at his opponents, especially the English and Japanese. To offer China a Russian policy which would stand out in clamant contrast to the Far Eastern policies of China's exploiters, which would win China's friendship and gratitude, and lay powder trains under French, British, American and Japanese concessions, Lenin boldly announced the abrogation of all Russia's rights there: financial, political, territorial and economic. He even

offered to sell China the Russian interest in the Chinese Eastern Railway—an offer which China, impoverished by revolution, was unable to take up. Thus he hastened that eventual explosion whose concussions, seven years later, would bring China's Nationalist Republic to birth—aided by Russian propaganda as midwife.

Russia's foreign policy under the Soviets closed its first troubled chapter with a mixed record of successes and failures. Thwarted in the West its revolutionary designs were partially successful in the East. Its strategy for defense was triumphant on all fronts. So far, it had concerned itself with economic interests mainly in Asia; but only as these interests related directly to the storm of internal and external dangers which the Communist idea was riding.

With the return of peace, and the revision of Russia's internal economic policy, emphasis began to shift again. Instead of two objectives—world revolution and Soviet defense—three emerged. Emphasis upon world revolt began slowly to diminish while a new emphasis upon economic relationships intensified. The tactics of Soviet foreign policy shifted from a war strategy to a strategy of exploiting peace contacts as an aid to internal economic recovery. The original idea of a world revolution gave ground before a belief that the safety of the Communist experiment could be secured equally well through swift and energetic transformation of Soviet internal economy. To accomplish this, relations with the outside world were essential. No other policy would serve either to draw from the reservoirs of European and American industrial experience the aid needed, or to attract the concessionaires whose skill and capital were essential in the exploitation of Russia's vast resources in minerals and metals.

So, as the new phase of Russian foreign policy opened, and while it continued, a conflict arose between policy based upon economic realities and policy influenced by Communist revolutionary hopes. Lenin, and the small group of his followers who directed the commercial policy of Russia, represented the growing influence of the former. The Third Interna-

tional, which was ruled by the more fervent revolutionary enthusiasts, symbolized the latter.

The Third International was the powerful fountain of Communist doctrine not only in Russia but in the world. It had been constituted shortly after the end of the European war, when the sponsors of the Social Democratic idea in Europe found themselves out of harmony with the Socialism of Russia under the Communists. This organization accordingly held the role of doctrinal dictator; and as such, it had taken charge of the direction of world revolution everywhere.

Emphasis upon economic realities, and the assertion of revolutionary purposes, speedily began to develop an anomalous situation for the directors of the foreign policy of the Soviet Republic. When, after difficult negotiations—as with England in 1921—a trade agreement was drawn, and later, in 1924, diplomatic recognition was won, the activities of the Third International's propagandists tended to snarl and disrupt the commercial arrangements. To add to the difficulties of this situation, the Third International announced and pursued a policy of advantage which tended to make treaties and agreements utterly meaningless. Pledges were considered mere gages which need not be kept. Covenants were viewed as binding only so long as opportunity to ignore them was usefully absent.

Hence the history of Russia's foreign relations between 1921 and 1928 is a story of incessant diplomatic explosions: of treaties made and treaties suspended; of recognition advanced and recognition withdrawn; of ambassadors ordered out of this country and that, and of ambassadors invited in again; of comic opera raids and political hullaballooings. The Third International managed to intensify outside suspicion and dislike of Russia during the greater part of the decade following the Peace of Versailles; and the inner contradiction which it represented in Russia's foreign policy continued active until 1928, when Joseph Stalin, as Lenin's successor, overthrew the Trotsky faction and exiled the famous organizer of the Red Guard. Trotsky represented not only revolutionary opposition to Stalin's domestic policies as concerned the peasantry; he and his supporters also insisted upon trumpeting the world revo-

lution through the Third International. With Trotsky's expulsion from Russia accomplished, Stalin next turned upon the Third International, denounced its absurdities in a scathing address before the Communist Congress, and clipped its power of interference with foreign policy by packing its key offices with supporters of his own contention that economics must have right of way over dogma. Thus the pragmatic tradition of Lenin found reëxpression in the domain of foreign relations as it had found continuance in the field of domestic economy.

As this tussle proceeded between revolution and evolution in the directorate of Russia's foreign policy, that policy nevertheless made rapid progress in Asia, Europe, and parts of the Western Hemisphere. The United States alone stood fast in refusing to extend recognition, negotiate treaties of commerce, or otherwise enter into relations with Moscow.

In 1922 at the San Remo Conferences attempts made by the trade-hungry European nations to deal directly with Russian business units failed because of Russia's insistence upon the Soviet Trade Monopoly. This monopoly was thereupon recognized. Next, the former Allies of Russia sought to obtain recognition by Moscow of the old Russian debts; but when the Soviet diplomats offered to give partial recognition of these in return for huge credits and recompense on counter-claims Russia advanced against nations that had aided counter-revolution, the debt issue was adjourned.

The first major démarche of the Russian foreign policy in Europe, following the restoration of peace, was the treaty of friendship with Germany—the so-called Treaty of Rapallo—the foundations of which were laid in 1922-23 unknown to Germany's recent armed opponents. This treaty of peace and amity alarmed both France and England, though for different reasons. France saw in it a threat of Russian-German alliance and more war; England, more realistically minded, perceived that it meant great trade advantages to Germany in the exploitation of the Russian market.

Russia's relations with England have been stormy, but England has clung steadily to Russian trade, save during one flurry of political excitement in 1927 when even trade relations

were threatened by the raid on the Russian Trading Corporation offices at London and the deportation of the chief Russian trade representatives. Restoration of the diplomatic recognition thus interrupted came with the return of the British Labor Government to office in 1929, which regularized affairs once more. Russia's total trade with England between 1921 and 1930 exceeded $1,300,000,000 in value, and while the volume of this commerce fluctuated up and down with successive quarrels about propagandist activities, in general it tended to expand. In 1930 credits totaling $30,000,000 were arranged in England to aid in the financing of the Russian trade and early in 1931 additional financial arrangements were completed.

Russia and Germany, having reached an understanding in the Treaty of Rapallo which pledged "coöperation in a spirit of mutual good will", steadily improved their relations thereafter. Recognition had already been extended by the Treaty of Brest-Litovsk in 1918. In 1925, the Soviet diplomacy advanced another step with a commercial treaty which was followed in 1926 by the extension of a 300,000,000 marks credit by the German Government to German industries, to finance Russian trade development. Later another credit was added to this and early in 1931 a new credit of approximately $75,000,000 was arranged.

With France, Soviet relations have been strained and frequently embittered. Although diplomatic recognition was accorded Moscow by the Herriot Government in 1924, following the British lead, the two nations failed for years to get along. This was due in part to the fact that France, unlike most other trading nations in Europe, exports mainly luxuries, which Russia banned in efforts to create a favorable trade balance abroad through Spartan living at home. As a consequence the Russian-French trade was one sided, with Russia enjoying the advantage. Russian exports to France were thrice as large as French exports to Russia. Added to this fly in the economic ointment was a political friction. French radicalism considered the presence of a Russian Ambassador at Paris an invitation to stir up strife in the interest of a Communist rising, which

some of the Russian diplomatic staff discovered a weakness for assisting.

These troubles came to a head in 1927 when France demanded the recall of the Soviet Ambassador and obtained it. The economic friction continued until 1930, when sudden expansion of Russia's foreign trade led France to charge her with attempts at "dumping". In October of that year, the French Government put Russian trade under a licensing system, which speedily throttled it. Russia retaliated with a decree banning all French goods from Russian territory.

Some months later, as a bloc of European states rose on the political horizon demanding revision of the Peace treaties, France changed her Russian policy, aiming to divide the Soviet Republic from Germany. With her ally and Russia's old enemy, Poland, France opened negotiations at Moscow concerning trade credits and heavy orders for goods. By late Summer of 1931 these negotiations had apparently succeeded.

In the Italian sector the Soviet diplomacy found its first real welcome in Europe, though actual trade agreement was signed with England first. Italy's lack of raw materials and natural resources made Russian trade extremely inviting. In 1929 the Fascist nation took 340,000,000 lire in Russian products and sold Russia 70,000,000 in return. To reduce this unfavorable balance, a new agreement was hammered out in 1930 by which the Italian Government pledged 75% of the credits advanced by its manufacturers for Russian trade, while in 1931 a further agreement was written, and a credit of $20,000,000 was arranged.

Russia had quarreled with Belgium as with France. Belgium alone in Europe refused recognition and when, in 1930, Russia's exports of matches and lumber swamped Belgian industries, trade restrictions were clamped down by the Brussels Government. To these Russia retaliated by cancelling a $3,000,000 order for machinery.

The march of Soviet foreign policy along lines similar to these went on simultaneously in the Balkans and throughout South Europe generally. In the East the inner contradiction of this policy, as represented by the influence of the Third

International on one hand and economic realism on the other, gave much less trouble than in Europe, though in 1928-29 it all but alienated China from Russia. Taking advantage of the foundations laid down by Lenin, the rulers at Moscow not only built an extensive structure of relationships with their Asiatic neighbors, based upon economic, social, political and financial agreements; they interrelated these treaties, and in 1927 formed an Eastern League of Nations to counteract the Imperialistic tendencies which the Russians believed to be in evidence in the League at Geneva. The Eastern League was a peculiar creation, consisting rather of a coördination of policies than of a formal and official organization like the Geneva institution. Its major purpose was to preserve those mutual pledges of economic non-aggression, peace, neutrality and commerce established by earlier treaties. The object which Russian diplomacy had in immediate view was revealed by the reiteration of guarantees among members that none would aid a third power in an attack upon the Union of Socialist Soviet Republics.

The process of barrier building by such alliances had become a prominent tenet of Soviet foreign policy early in 1922; but only in 1927, when Russia discovered new activity among the émigré nobles throughout Europe looking toward counter-revolutionary undertakings, was the work speeded by the Russian Foreign Office. The new "white hope" movement had established contacts with officers of the French General Staff as well as with dissatisfied groups within the Soviet Union. But the conspiracy came to nothing. By means of a series of police raids conducted by G. P. U. a large batch of the alleged conspirators was rounded up. At a skillfully publicized public trial, several of the ring leaders confessed to attempted obstructions of the Five Year Plan and were given terms in prison. Neutrality treaties with Baltic States, with Turkey, Persia, Afghanistan, Mongolia and China were refashioned. To reinforce the European front, the "Litvinov Protocol" was arranged with Poland, Esthonia, Latvia and Roumania, making the Kellogg Pact for the outlawing of war immediately effective among the signatories.

Russia's attitude toward the activities of the League of Nations remained one of cold dislike and irony from the outset, when the League artificers barred her from membership. Exclusion and hostility did not, however, prevent her highly realistic diplomacy from collaborating with the League whenever the opportunity offered to advance Russian interest. Her Foreign Office sought at the World Economic Conference held at Geneva in 1927 to obtain a general pledge of non-aggression against Russia and, failing, advanced once more, in the Summer of 1931, this time proposing a world pact of economic non-aggression which was designed to effect in the fields of trade and finance what the Kellogg Anti-War Pact had sought to achieve in the domain of international political relationships. This project encountered French policy, which relegated it to the safe solitude of a study commission: France preferred to keep her fingers on all instruments whose functions connoted the unification of European interests.

While pressing steadily forward through diplomacy with her economic projects, Russia also coöperated increasingly with European movements more directly concerned with peace. Thus her delegates sat in at the long and unhappy preliminary conferences on armament reduction, which dragged their weary way, under League auspices, from 1924 toward climax at the Disarmament Conference in 1932. On this question, again, realism marked the Soviet policy, but Europe was unready for realism. As a consequence, Russia's proposal that armament reduction be brought about by a specific percentage reduction each year, universally and simultaneously applied by all states, was refused consideration as too drastic when it was first suggested in 1926; but in 1930-31 a somewhat similar proposal pressed by the United States was given attention.

The second phase of the evolution of Russia's foreign policy under the Communists came to an end early in 1931 when, under the compulsion of credit needs for the further progress of Gosplan, the Soviet Union offered Europe cooperation for resolving a world depression of vast magnitude. The offer thus made by Maxim Litvinov in arguing for his economic non-aggression pact at Geneva, was reinforced by

Russian collaboration, first with Eastern European agricultural states, next with a general European conference on agricultural rehabilitation held at Rome in the late Spring, and finally at a great agricultural conference of all the major nations held at London during the Summer. The London Conference failed, owing to a collision between the American idea of Individualistic Democracy in economics, and the collective ideas of Russia and agrarian Europe.

9 · CHINA—THE AWAKENING OF THE ASIAN GIANT

IN June, 1919, from the Great Wall in the North to the city of Canton more than 1,300 miles to Southward, China was in a tumult. Student demonstrations against Japanese shops, goods, and nationals raged in every coastal town, throughout the Central Provinces, to the cities on the Upper Yangtse in the West. Everywhere, Japanese, English and French concessions were barricaded with barbed wire. Behind these defenses troops stood to arms with bayoneted rifles, while vast rivers of angry Chinese surged along the outskirts of the settlements, screaming imprecations against the Treaty of Versailles, whose chief artificers were symbolized in Chinese eyes by the foreign settlements.

Pekin reverberated with riots and student-led raids upon Japanese business houses. Multitudes paraded day after day, bearing banners denouncing the Japanese, calling upon the puppet Government of the Chinese nation to throw off Japanese dominance and forbid China's delegates at the Peace Conference at Paris to sign the Treaty which, as a result of Japanese insistence and secret treaties supported by England and France, carried clauses partitioning the great Province of Shantung from China and fixing Japanese Imperialism firmly in the saddle in Manchuria. Wrathful guilds of merchants, laborers, and bankers adopted resolutions which sizzled over the cables to Paris, where two contending Chinese delegations, one representing the Pekin Government, and the other the Chinese revolutionary movement, debated whether or not to accept a humiliating Treaty which ignored China's assistance to the

Allied cause and proposed to carry one step further the century-old progress of foreign spoliation.

As the 28th of June approached, excitement in Pekin grew more frantic. The violence of Chinese nationalism against the Treaty and Japan created fear among the members of the Pekin Government for their lives. Two ministers, who had been active in negotiations for Japanese loans, were driven from office. The frightened ruling clique, perceiving that popular upheaval threatened, hastily sent instructions to its official spokesmen in Europe to join the delegation of the revolutionaries in repudiating the Treaty. China, her major claims ignored by the diplomats of Europe and Japan, walked out on the Conference and announced her refusal to attend the ceremony at Versailles on the day set for the signing of the Treaty. The champions of the past had failed to recognize the portent of the awakening China. That portent now threw their day of triumph under a bodeful shadow. The Chinese revolution had discovered a formidable weapon, the boycott, which it now set about perfecting.

I

Backgrounds

Three years before the Imperialistic Powers of the Western world had begun their grim duel on the battlefields of Europe, in 1914, they had received from the other side of the earth a warning prophetic of the new phase of the Age of Revolution into which their policies were hurrying three continents. China, the proverbial slumberer of Asia, occupying one-fifth of the land area of the globe and swarming with one-quarter of the world's population, rose against her Manchu rulers because of their subservience before foreign rapacity. The hoary dynasty that had held sceptre over the largest of Asia's empires since 1644 was overturned; and China undertook by a sudden leap to effect transition from the most retrogressive form of government in existence—a corrupt, effete and autocratic Imperial Monarchy—to the most advanced—a Social Democratic Republic.

This extremely significant event resulted from causes set in motion by the West, under the impulse of the Industrial Revolution and increasingly frantic Imperial scrambles for raw materials and markets. It was precipitated finally by the impingement of Western ideas upon Oriental tradition, custom, and inertia. With the dawn of the 20th Century, the impacts of these economic and cultural forces had synchronized; and as this happened, the hitherto docile giant of Asia woke to angry consciousness of the shackles which outside diplomacy and force had been busily fastening upon her.

In the Boxer Rebellion of 1900—a fanatical semi-religious, semi-racial rising against "foreignism"—China made her first effort to snap the fetters represented by one-sided treaties, special privileges for foreigners, extraterritorial rights, and political degradation, that she might return to her antique cycle of undisturbed indifference. The outburst was suppressed in a brutal slaughter through joint, armed intervention by the great Powers. It failed because it was an effort to restore the past. When, a decade later, another rising would occur, looking not back but ahead, the outcome would be different.

In the failure of the Boxer Rebellion the foundations for success in this later attempt were securely laid. Though the exactions of foreign Imperialism redoubled, and the huge nation was helpless to resist, the education of the Chinese students in Europe and the United States expanded rapidly. This movement, already important, now benefited by the lead given when the United States decided to turn back its share of the indemnity payments resulting from the Boxer rising, to finance university and technical training of Chinese youth abroad. So the preparation of young China went on intensively during a decade. China's Student Movement grew. Western ideas—political, religious, social, economic, scientific, financial—poured back into China as these students returned.

The contrast between what they found abroad and what greeted them on their return home filled them with dismay. In Europe and America they had observed political freedom and heard the preachments of democracy. At home they faced a decadent political regime equipped with all the paraphernalia

of a moribund past. Abroad, they had seen science at work. At home they found it ignored. In the schools of the West they became familiar with the dynamic ideas of progress; they watched industrial advance; they saw how jealously every nation protected its own independence against outside encroachment. At home, they contemplated the humiliating spectacle of a decrepit dynasty which lacked both the energy to rule and the will to preserve national integrity; which was forced to stand aside while powerful outsiders looted its resources under warrant of treaties they first imposed at the point of the bayonet or by corrupt purchase from Government officials; while these foreigners assumed protectorates over all the choicest seaports on the Chinese coast; while they reaped the profits accruing from the drugging of China's millions with opium; while they occupied concessions which they had bestowed upon themselves in her richest areas; while they refused to recognize her laws, her courts and her practices, instituting legal systems of their own and through these favoring themselves in all disputes with natives; while, as a crowning indignity, they posted signs in public parks on Chinese territory forbidding dogs and natives alike the use of the thoroughfares.

In 1905, the reaction of the Student Movement to all this had become definite and organized. By 1910 the great communal guilds, which form the basic economic unit in Chinese society, were infiltrated with a rapidly spreading nationalism. The suspension of the Mandrinate system—by which, hitherto, young men had been prepared through successive examinations for positions in the structure of officialdom—threw thousands of native and returned students into makeshift employments and gradually filled the schools with ardent missionaries of the new Social Democratic idea. Secret societies developed by propaganda public interest in the plain tale of their country's despoilment. The Manchus, whose rule had never found full acceptance in a China that viewed the dynasty as alien, were stigmatized as the chief and responsible cause of an intolerable situation.

Finally, in 1911, these unremitting preparations found opportunity to express themselves. A dispute about railway

concessions—originating as usual from without—set two of the greatest provinces at odds with the rulers at Pekin. Armed uprising followed. The Imperial armies were routed. A civil war spread rapidly from one province to another through South China. The match had at last been dropped into the powder barrel of China's resentment; and the resulting explosion shattered the throne of the Son of Heaven. On February 12, 1912, the Ta Ch'ing Dynasty, which had ruled China during 267 years, which had become the greatest barrier to national freedom and self-respect, came to an inglorious end. Nationalist China was born.

II

War and Rumors of War

The first phase of the republican movement in China began with a revolution and ended with a massacre. Between these two events the years were crowded with desolating domestic struggles and furious contention against attempts by the outside Powers—especially England, Japan and a Consortium of Western bankers—to convert China's chaotic upheaval to their own advantage and profit.

When the revolution developed in 1911, the Kuo Ming Tang, or People's Party, led by Dr. Sun Yat Sen, quickly took charge of the movement. This Party, which Sun Yat Sen had been developing secretly since the turn of the century, espoused the Social Democratic idea. It proposed a Democratic Republic, with a Constitution, a Parliament, a President, a Cabinet responsible to the National Legislature, and popular elections.

Sun Yat Sen was born in 1866; he had graduated from college and extended his studies in medicine, economics and politics during several years thereafter. His revolutionary views had resulted at various times in a life of exile at Hongkong, in the United States, England, Japan and Singapore. Adept at organization, an inspiring revolutionary leader, he quickly mustered a group of the more brilliant of the younger minds in China for service of the new Republic, which elected him as first President in 1912. Sun Yat Sen was extremely

anxious to draw the Chinese moderates to support of the revolutionary Government and for this reason he induced one of the most gifted and able of the public officials of the old Manchu regime, Yuan Shi Kai, to accept the presidency, which he himself vacated for the purpose. Yuan, however, turned in the direction of personal dictatorship once he had obtained power. First he defied the Kuo Ming Tang. Next he entered into relations with a group of foreign bankers, aspiring to bolster his strength with the outside Powers and to obtain funds wherewith to entrench his authority. To this end he offered wholesale extensions of special concession privileges to the foreign opponents of a free China. Finally Yuan discarded the Constitution entirely.

A war of the revolutionary movement against the dictator followed in 1913, but it proved fruitless. So Yuan went forward another step on his course by dissolving the Parliament and driving the leaders of the Kuo Ming Tang into exile. His dictatorship was strong and for a time restored some semblance of order in the vicinity of Pekin; but the advent of the World War, in which China declared herself neutral, brought complications. Japan suddenly decided to seize all German concessions in China, which she proceeded to do by bold steps, marching her armed forces over Chinese soil without heeding the Chinese Government's protests. At this time Yuan had reached a point in his personal career at which he determined to restore Monarchy to China, with himself as Emperor. The entanglements of the World War, the animosities aroused in China when Yuan's personal ambition became known, above all, the Imperialistic ambitions of China's Japanese neighbor, combined to thwart the dictator's hopes and resulted in his confusion and downfall. The revolutionary movement had reestablished itself securely at Canton, set up a government there, and now let loose a new onslaught upon the authority of Yuan at Pekin.

The impelling reason for this new outburst was only in part the hostility of young China to the dictatorship of Yuan Shi Kai. Overshadowing all other causes was Yuan's acquiescence before the notorious "Twenty-one Demands" which

Japan formulated in 1915 and forced upon him during the same year. These demands were modeled after the familiar practices of the Imperialistic diplomacy which Europe had taught Japan by example in China during the 19th Century and the first decade of the 20th. Japan, at the outset of the World War, had seized German concessions in China for herself regardless of the fact that those concessions were based upon treaty arrangements to which the Chinese Government was second party. China claimed that all concessions cancelled because of the war reverted to China herself, inasmuch as they were Chinese territory. Japan maintained that they were properly to be viewed as spoils of war for the nation which could take them.

The preoccupation of the Western nations with the World War now convinced the directors of policy at Tokyo that a golden opportunity lay before them to establish Japanese hegemony over the greater part of farther Asia. So, after taking elaborate precautions to prevent any news of her intentions from reaching her Western Allies until the coup was finished, Japan drew up and presented to Yuan Shi Kai early in 1915 an extraordinary diplomatic document, warning him through her Minister at Pekin to keep silent about it under pain of dire consequences to himself.

Japan's demands proposed the exclusion of other Powers from any further concessions in Manchuria; the handing over of Shantung Province to Japanese control; the exclusive use of Japanese capital in all China's major developments; guarantees that no coastal territory should pass to outside nations other than Japan through loans or cessation; the right of a monopoly to Japanese citizens in mines, industrial enterprises, railways and loans; ninety-nine year extension of the expiring lease in Liaotung Peninsula (which Japan had taken from Russia in 1905-6); the exclusive right to Japan to furnish police, military and financial advisors to China; Japanese control of China's arms, munitions factories, and arsenals; and the throwing open of all property and trading rights in China to Japanese nationals. In short, Japan proposed to add China to her possessions in much the same manner she had annexed Korea.

When President Yuan risked Japanese threats and caused the Twenty-one Demands to become known to the press, there was an immediate uproar throughout the world. The United States warned Japan that no monopoly of rights would be recognized by Washington, and that the "Open Door" policy laid down by John Hay would be strictly enforced. That policy provided equality of opportunity to all nations in Chinese markets and development enterprises. The storm became so intense that Japan shifted her tactics. The Demands were somewhat modified, and a coup d'état, engineered by Japanese at Pekin, drove Yuan from power. When, at the solicitation of the United States, China entered the World War in 1917, her Government was under Japanese control as a result of Japan's new policy, which raised a clique in the pay of Tokyo to the seats of Government at Pekin. With a succession of Chinese Governments under her thumb, Japan concluded secret treaties with Russia, England, France and Italy, under the terms of which she was given free hand with Northern China. Then she awaited the close of the war.

These manœuvres, beginning with the Twenty-one Demands and ending with the establishment of puppet Governments at Pekin, stung the Chinese revolutionaries to new activity throughout the country. When the Paris Conference opened early in 1919, the Cantonese Government, representing the revolution, sent its own delegation to challenge the authority of the delegation sent by Pekin to sustain Japanese policy. For Japan, after first attempting to win acceptance from her Allies at Paris of the thesis that she was the proper representative of China's interests in the Peace Treaty, bowed to defeat and executed a graceful flank movement by having her puppet Government at Pekin name representatives for China. The official Chinese delegation, while under orders, did not relish its task of furthering Japanese Imperialistic interest at China's expense, with the result that it welcomed the uprising of the Student Movement and the Kuo Ming Tang in China against the Treaty of Versailles. Popular fury in China, as expressed in the boycott, completely devastated Japan's China trade by the Spring of 1919. Japanese bankers, heeding the

complaints of Japanese industry, began to withdraw financial support from the militarists at Tokyo. The puppet system at Pekin was next bowled over by an overwhelming attack delivered against it by the revolutionaries. China now entered into a long period of military adventuring and civil war, as one provincial general after another sought power, alone or in combination with others, while General Chang Tso Lin, the ex-bandit multimillionaire governor of Manchuria who served Japanese policy, endeavored to retain his control upon Pekin.

The important developments of this six-year period were not represented by incessant and destructive wars. In the domain of China's foreign relations they emerged at the Washington Arms Conference, when the Anglo-Japanese Alliance came to an end and Japan was induced to restore Shantung to China. The Nine Power Treaty, signed at the Conference, pledged all the Powers concerned with China to respect the political, territorial and administrative integrity and sovereignty of China and paved the way for restoration of China's authority to establish her own tariffs in 1929. The revolution was progressing, despite domestic chaos, toward one of its chief goals: the liberation of China from foreign domination.

Even more important for its bearing upon future events was the tremendous drive which the Student Movement, cooperating with the Kuo Ming Tang, made upon Chinese traditions—cultural, economic, political and social. The weakness of the revolution hitherto had been its almost exclusive political character. Now it dug to fundamentals. China became the scene of five revolutions which proceeded simultaneously: one in educational practice and program; one in scientific interests; one in social life and reform; one in economic literacy and industrial development; and one in the field of her ancient culture. The passion for education along modern lines, in contrast with traditional schooling processes, had become tremendous. The technique of the boycott, which had grown to be one of the most formidable weapons in the arsenal of developing nationalism, was improved. Distrust of foreign loans induced Chinese Bankers' Guilds to assume supervision over national finance and enabled the Government to resist successfully a

strong attempt of American and European bankers to force through a huge loan, under terms of which some of the most profitable sources of the national revenue would pass to outside control. When the Bankers' Consortium grew insistent, the Chinese Minister of Finance remarked coolly that China hadn't asked anybody to lend her money. That was the end of the financial drive.

While one regime followed another at Pekin, the Kuo Ming Tang at Canton in the South enlarged its sphere of interests gradually under the direction of Sun Yat Sen, preparing new leaders for the revolution and soliciting the friendly cooperation of Soviet Russia for a campaign against the contending war lords. National unity, freedom and equality among nations grew more specific in meaning as the seemingly endless military strife continued in the Central and Northern Provinces. Great Britain now took the lead in a new drive for intervention, attempting to organize an agreement among all Powers having concessions and commercial interests in China for the purpose. The revolutionaries struck back through the boycott at Canton and within a few weeks all British activities and interests in South China were at a standstill. Shipping halted. Servants deserted. Utilities workmen walked out. Differences of view among the great Powers brought the new interventionist move to naught. Then Soviet Russia startled the Foreign Legations at Pekin by naming a full Ambassador to China—an official who by his rank would have diplomatic precedence over all foreign ministers there. But this bid for friendship from Russia was not welcomed by the Pekin regime. Affronts and rebuffs to the Soviet Ambassador became the order of the day as the months passed; and finally, as the threat from the revolutionary South grew serious, the Pekin Government opened a direct campaign against the Soviet Embassy.

On March 12, 1925, Sun Yat Sen died, bequeathing the leadership of the Chinese Nationalist revolution to a group of his Cantonese supporters, headed by Chiang Kai Shek, a young man barely thirty years of age. Two months later, a labor dispute at Shanghai ended in the shooting of a striker by foreign factory police in the International Settlement. The Chinese

Student Movement at once took up the case and assembled a great protest demonstration on May 30. The students who were unarmed decided to march to the police station of the district to indicate their disapproval of the shooting. As they turned up the road, a British police inspector ordered his squad to open fire upon the crowd, killing five and wounding more than a score, four of whom died later.

This, the historic "Shanghai Massacre", kindled indignation with amazing abruptness all over China and served to reunite all factions against "foreignism". The revolution awoke with a roar from its desultory mutterings. Business, banking and labor guilds rallied to the cause of Nationalism agitated by the Student Movement and the Kuo Ming Tang. Rioting spread into the farthest Provinces. Boycotts against foreign goods sprang up as if by magic. The clamor reverberated to Europe and America, as foreign missionaries in China openly sided with the revolution and demanded that their governments cease such brutalities. Strikes tied up shipping in the treaty ports.

The manifest rage of China at length produced genuine alarm among the outside governments. Japan attempted to escape the devastating boycott by offering to collaborate with China in arranging new commercial agreements. France, which had been dallying since 1922 with the Washington Arms Treaty (thus holding up all action on the promised customs reforms), suddenly bethought to express her sympathy for China by ratifying the pact. International investigation of the Shanghai shootings was forced by public opinion and placed the blame upon the foreign police in the International Settlement. The massacre had eclipsed the civil wars and provided the revolutionary movement with a sense of unity previously wanting. Revolutionary propaganda assumed new meaning to China's masses. In September the United States expressed its willingness to negotiate an entirely new arrangement with China, covering all problems arising from its rights and concessions in her territory.

While the excitement of these Summer months was at its height, young Chiang Kai Shek, inheritor of the mantle of

Sun Yat Sen, had mustered his new Russian-trained divisions at Canton. Equipped with expert military advisors, a well-drilled army, and a marvellous advance guard of propagandists, he turned his face Northward, announcing that China could be saved from incidents similar to that at Shanghai by one means only: a powerful Government backed by military force. The march of the Cantonese Nationalists began.

III

Nationalism on the March

The city of Canton, Kwangtung Province, Southern China, had been the political cradle of the revolt which broke the Manchu power in 1911-12. When President Yuan Shi Kai had subverted the Republic to his own ambitions for dictatorship in 1913 and again three years later, the leaders of the great revolutionary party of the Kuo Ming Tang had sought refuge in this, the greatest commercial metropolis of the South, and had here struggled to reconstitute their prestige and authority. In 1917 when the revolution broke openly with the Pekin regime in the North (which had fallen under the sway of Japanese intrigue), it was at Canton that the cause of revolutionary Republicanism established itself under a separate Government, consolidated its forces and labored to expand its popular appeal.

As the second decade of the century opened, Dr. Sun Yat Sen and his Kuo Ming Tang followers had made no conspicuous progress toward realization of their dream of a unified Republican China capable of offering successful opposition to intrusive outside nations. North and Central Provinces swarmed with petty warlords, who battled endlessly among themselves, combining every so often to wage attack upon the regime at Pekin. So the Cantonese looked about for a powerful ally. They found what they sought in Soviet Russia.

The Russians were delighted at the new opportunity offered, through association with the Cantonese Nationalists, for creating trouble among the European foes who had lately

been financing interventionist wars and counter-revolutionary movements against the Soviet State. The Russian attitude was all the sharper because the Northern Chinese Government at Pekin, reflecting the anti-Russian views of Europe expressed by the foreign diplomatic corps, was becoming markedly hostile to the policies of Moscow, and in spite of Russia's skillful move in appointing a full-fledged Ambassador to represent her at Pekin, this hostility continued to grow.

So, early in 1923, as these trends were developing in the North, emissaries from Russia conferred with Dr. Sun Yat Sen, the leader of the revolutionary cause. An agreement for collaboration was hammered out after long discussions, Russia accepting Dr. Sun's view that no attempt should be made to introduce the Russian brand of Communism into China "because there do not exist here the conditions for successful establishment of either Communism or Sovietism". Russia expressed her willingness to coöperate with the revolution that the movement might strengthen sufficiently to jeopardize foreign interests in the great Asiatic nation. As Russia had already surrended voluntarily all the old Czarist Imperial claims in China, the emissaries from Moscow were in an unusually strong strategic position to win the confidence of the revolutionary movement. Accordingly, swarms of Russian military experts arrived at Canton shortly after the pact was made. They were accompanied by a regiment of the ablest propagandists in Russia, whose function was to be the creating of renewed popular enthusiasm for the revolution. The Kuo Ming Tang was reorganized to admit the radical left wing of the movement. Power was centralized in the hands of the party leaders. In June, 1924, the Cantonese Government established a military academy near the capital where the Russian military advisors went to work to train officers for the campaign which was planned, to create a competent army, and to provide supplies. This army was well equipped and far advanced with its training when the shootings at Shanghai inflamed Chinese national sentiment throughout the entire eighteen provinces.

The march of the Cantonese hosts, led by Chiang Kai Shek, a protégé of the late leader of the Kuo Ming Tang and

a graduate of the new military academy, was begun in the Summer of 1926. As month succeeded month, the powerful revolutionary armies swept northward toward the Yangtse, routing opposition with prodigious slaughter, subduing local military chieftains, and fixing their hold upon the public by means of an extraordinary infiltration of "paper bullets"—the propaganda activities of their Russo-Chinese advance guard. The discipline and energy of the troops, the military genius of their young leader, and the experienced advice available to the campaign, soon attracted the notice of both Asia and Europe. A new portent had appeared on the revolutionary horizon in China.

As Autumn approached, Chiang Kai Shek's achievements seemed fabulous. In a brief two months he had stormed through the South to the great central river valley of China, scattering opposition before him like chaff. Wuchung was invested. It fell after one of the most appalling sieges in modern military history, when nearly the entire population reached the point of sheer starvation. The exploits of China's suddenly discovered Napoleon, the ease with which his storm divisions destroyed the best troops of the opposing warlords, acted as a tremendous stimulus upon national sentiment. At the climax of the first Nationalist campaign, in the Winter of 1926, the outside Powers poured oil on the flames by announcing that they would not consider the surrender of the extraterritorial rights they enjoyed in China. These rights, which based upon imposed treaties, gave foreigners in China more rights and privileges than the Chinese themselves enjoyed in their own territory.

A tidal wave of "anti-foreignism" swept the seething nation on the heels of this announcement. European capitals buzzed with alarm. Boycotts throttled foreign business to a thin trickle. Fleets of warships steamed into the Treaty ports and dropped anchor, in accordance with the time-honored method of coercive threat. Foreign nationals hurried from the cities of the interior to the safety of the coastal settlements, to escape the fury of the revolutionary populace.

On December 4, the Chinese representative at the League

of Nations in Geneva, responding to demands from the Nationalist movement, announced that China had decided to abrogate all unequal treaties, regardless of outside opposition, on the grounds that these instruments were devised under duress and coercion. No treaty, China announced, could be held binding upon a nation against its will, and least of all a treaty of commerce and trade rights. A hasty scramble ensued among the Powers, and attempts were made, under the lead of Great Britain, to organize intervention for the purpose of crushing the revolution and compelling China to accept her fetters. But the peoples of Europe were tired of war and soon made this fact known to their governments. The United States refused to be drawn into any interventionist scheme.

So on Christmas Day, 1926, the British Government changed front and issued a memorandum, expressing its interest in the Nationalist revolution (which was now ensconced at Nanking), and offering to effect through negotiations the gradual cessation of foreign control, the revision of treaties, and the release of a larger share of China's customs collections to the Chinese Government to aid it in establishing ordered rule. The following July the United States expressed sympathy with the Nationalist cause, proffered friendship, and suggested an amicable readjustment of differences by negotiation. Japan, suffering since 1919 from the effects of the boycott, endeavored to head off the British and Americans from the advantage given by these moves. Tokyo offered full restoration of control of customs to China and special commercial agreements covering Japanese trade interests. This proposal was advanced by Japan upon the assumption that the European Powers would be unwilling to match it. America, England and France, however, accepted the lead with enthusiasm. As a consequence, this belated competition among Imperialisms ended entirely to China's advantage.

The first phase of the advance of the Nationalist forces had closed in the Winter of 1926 before Shanghai, as a rift developed within the ranks of the Kuo Ming Tang over the policies pursued by the Russian advisors of the revolution. Michael Borodin, chief propagandist from Moscow, had be-

come so enthusiastic over the success of the campaign that he decided to swing the revolutionary movement over to the Bolshevik philosophy, regardless of the agreement made between the Cantonese leaders and Russia. General Chiang Kai Shek who represented the personal following of the creator of the revolution, Dr. Sun, answered by halting his Northern advance, turning upon the Communists and driving them out of the revolutionary movement. Thousands of Chinese supporters of the Russian idea were executed out of hand. The cities of China from Canton to the Yangtse ran red with blood. By November, 1927, the adherents of Chiang had completed the purgation of their movement so thoroughly that they were once more ready to turn attention to the Northern generals ensconced about Pekin.

In and near the ancient capital, the powerful fragments of anti-revolutionary militarism remained, to face assault from the Nationalist armies. The warlord of Shantung was defeated. The armies of Wu Pei Fu, the strongest of the opponents of the Nationalists, attempted vigorous resistance, only to collapse before the tremendous élan of the revolutionaries. General Chang Tso Lin, the Manchurian warlord who operated as the representative of Japan at Pekin, suddenly found himself threatened in the rear by the approaching armies of General Feng Yu Hsiang, one of the independent militarists who had formed alliance with the Nationalists. Japan, meantime, in desperate effort to halt the advance of the Southerners that she might preserve her dominant political power in the North, poured troops in a barrier line across the path of the Cantonese, blocking their approach to Pekin.

At the approach of Summer, 1928, the Chinese Nationalists were busily occupied with the establishment of a Republican Government at Nanking which they had captured at the end of their first thrust North from Canton. General Chiang Kai Shek was chosen President as a reward for his brilliant military leadership. Meantime, the outside Powers had agreed to January 1, 1929, as the date on which China was to assume full charge of the customs system. Japan and England were moving toward relinquishment of some of their concessions,

and the way seemed open toward a general redressing of the balance, internationally, for China.

General Feng Yu Hsiang fulfilled his threat against Pekin in the rear of the Japanese interventionaries. With the warlord of Shan Si Province, who had now joined the Nationalists, he drove General Chang Tso Lin in precipitate flight from Pekin back to Manchuria, where Chang was murdered at Mukden upon his arrival.

On the seventeenth anniversary of the first revolutionary rising in China, the Nationalist Government of the Republic of China was inaugurated at Nanking, with Chiang Kai Shek taking office as Chief Executive, president of the military council, and generalissimo of the armies of the Nationalist revolution. The new Government faced tremendous problems, both domestic and foreign; but the revolutionary energies and zeal of the Kuo Ming Tang moderates, who now controlled the movement, let loose a vigorous attack upon these difficulties. Programs for the unification of the nation, for economies, for the abolition of the petty militarist plague which had kept China in a turmoil during the greater part of a decade, for the development of public education, the modernizing of agriculture, industrial expansion, reconstruction of ports, road building, social, political and labor policy, financial reorganization, the building up of the authority of the Nanking regime by progressive steps—all occupied the attention of China's new leaders. Five administrative departments of affairs were organized and went to work immediately. China had so much to do to effect the transposition of her national life from the past to the realities of the present that the Republic's program outran the Government's available abilities and resources.

In the zone of her world relations, China had a far less difficult set of problems to face. Here developments by their very nature waited upon time to a much greater extent than was the case with the domestic questions. The annulment of all unequal treaties and substitution for them of new treaties in which the Republic participated as an equal independent sovereignty, was one of the more immediate problems. The abolition of extraterritorial rights, which entailed the end of

foreign law courts in Chinese territory and the acceptance of Chinese courts and law, was more complicated, since it required as a preliminary the modernization of China's jurisprudence. To this task accordingly, one of the ablest legal talents in the Republican movement devoted attention, and on October 19, the Nationalist Foreign Minister, Dr. C. T. Wang, notified the Treaty Powers of China's demand for the immediate relinquishment of these rights. Already, due to the vicissitudes of the World War and what followed it, Germany, Austria and Hungary had lost their extraterritorial rights in China. Bolivia, Chile and Persia had renounced consular jurisdiction after the war, and in 1924 Russia had followed suit. During the negotiations that followed Dr. Wang's demands, Italy, Belgium, Spain and Portugal and Denmark joined the list, pledging themselves to surrender their extraterritorial privileges by January 1, 1930. The greater Powers moved more slowly and negotiations dragged on for years, awaiting fuller development of China's legal system.

The Chinese Republican Government laid down the policy of financing itself from within the country, in order to escape future entanglements with outside bankers. To this end the National Bank of China was established and the Finance Minister was named director general of the institution. In its task of carrying out the principles promulgated by Sun Yat Sen, calling for national unification, democracy and independence, the revolution faced Herculean difficulties within the nation. Factious minorities under arms continued even after the fall of Pekin to challenge the new Republican Government. The independent militarists in the provinces watched with hostility the progress of the Republic's policy on unification, which entailed as a primary essential the establishment of the federal military power and the disappearance of their own local freedom of action. Although Chang Hsueh Liang, the son and successor of Chang Tso Lin in Manchuria, decided to adhere to the Republic—a step viewed with marked disfavor by the Japanese who held large commercial and agricultural rights in Manchuria—the petty warlords in other parts of China were not so tractable. President Chiang Hai Shek was accord-

ingly obliged to spend most of his time with his armies, meeting challenges issued from such quarters, during the early years of the Nanking Republic's existence.

Ten months of relative peace, following the establishment of the new Government, ended in the Spring of 1929 with uprisings in several directions, engineered by the local warlords to combat the plans of the Republic looking toward their own extinction. Revolts were suppressed in Shantung. Others appeared in South China and in Western Provinces. The extremist wing of the Kuo Ming Tang, which disapproved of the Republic's hostile attitude toward Soviet Russia, quarrelled violently with the party majority and withdrew support from Nanking. General Feng Yu Hsiang, the former Nationalist ally who had been made a high official in the new regime, executed a right about face as President Chiang indicated a determination to develop a powerful federal military force and compel peace and order. War on a large scale now broke upon the South, the Upper Yangtse and in the Northwest simultaneously. Bandit hordes ravaged the Provinces that lay beyond the immediate reach of the Nationalist army. One insurrection was scarcely ended before another began and the inner party strife of the Kuo Ming Tang increased.

In the face of these tides of trouble, the President of the Republic first attempted appeasement by negotiation; when this failed to attain its object, he selected picked divisions of his troops and proceeded to destroy the three major military combinations resisting the authority of Nanking. This done, he opened a campaign in the Central Provinces against the bandit hordes, whose pillagings and massacres of town and city populations had reduced vast areas to utter anarchy. Within six weeks, the bandit strongholds had been captured, their armies decimated, thousands had been made prisoners and executed.

But the uncertain status of Manchuria had not been settled by the decision of its new governor, Chang Hsueh Liang, to bring the district into the Nanking Federation; and now trouble emerged anew in this quarter. Japan's opposition to the reunion of the three Manchurian Provinces with China remained strong though inactive for the moment; but Gover-

nor Chang's efforts to carry forward an active policy of hostility toward Soviet Russia suddenly embroiled him with that powerful neighbor on the North in a dispute about the Chinese Eastern Railway, which was owned and operated jointly by China and Russia, with equal division of the profits between them. Alleging Russian propaganda, the Manchurian governor attempted to seize the railway, ousting Russian officials and dissolving organizations of Russian railway employes. Moscow immediately retorted by dispatching troops from her Siberian garrisons to the scene, where they made short work of the Manchurian adventure and forced new negotiations to settle the status of the road. This quarrel, which threatened for a time to plunge Nanking and Moscow into genuine armed strife on a great scale, brought warnings from the signatories of the Kellogg Pact to both governments to observe their peace pledges; but the dispute had already been determined by Russian military victory over the Manchurian forces, and it now shifted to the field of diplomacy where the discussions continued, with frequent interruption, during several years. Thus ended the attempt of Manchuria, as an adherent of Nanking, to cancel post-war treaties with Russia.

As 1931 approached, the rebellion of the Canton radicals against the moderate policies of Chiang Kai Shek became more formidable. This faction of the Kuo Ming Tang levelled two accusations against the President. They charged him with being autocratic and dictatorial in domestic policy at the expense of revolutionary aims and purposes; and with attempting to curry favor among the great Powers by an anti-Russian policy which they deemed unjustified and disastrous. A new revolutionary Government was accordingly set up at Canton to challenge Nanking and to wrest control of the revolution from the hands of the moderates.

In the Summer, to complicate these disturbances which weighed heavily upon Nanking's resources, a series of floods, the most devastating in the history of modern China, swept the great river valleys of the Yangtse and its tributaries, inundating great cities and bringing death, famine, and disease to millions. As this disaster reached climax, on the 19th of Sep-

tember, Japan suddenly decided to avail herself of the opportunity presented by Western preoccupation with financial catastrophe and Nanking's party, military, flood and famine troubles, to reëstablish more securely her hold on the entire Manchurian region, to drive from power Governor Chang Hsueh Liang, who had undertaken to join Manchuria to the Nanking Federation, and to widen Japanese Imperial advantages. A military campaign for extension of control developed rapidly. Chang was driven from his capital. His armies were pounded to pieces by the better equipped and more able Japanese troops. Military expeditions pushed out from the Japanese-controlled railways South, West and North; and China and Japan began a sparring match at Geneva to see whether the machinery of peace represented by the League, the Kellogg Pact and the Nine Power Treaty would serve to avert open declaration of war.

China's diplomacy speedily forced Japan into the position of violator of pledges, and aligned the League of Nations and the United States against Japanese activities. Japan countered by defying the League and insisting that she would withdraw her forces only when China ceased anti-Japanese boycotts, established order, guaranteed to maintain it, and accepted the 1915 treaties by which Japanese leaseholds in Manchuria were extended. China flatly refused to negotiate while Japanese troops remained on Chinese soil. Russia, whose interest in Manchuria centered in the Chinese Eastern railway, followed a policy of wary caution, endeavoring to keep free of the embroilment lest her industrialization be interrupted.

By mid-November this situation had reached proportions of extreme gravity as Japan, fostering a separatist movement in Manchuria, began to push north into the Russian sphere to combat strong remnants of the forces of Chang Hsueh Liang who were inflicting defeat upon armies of separatist troops. During the third week of November, Japanese forces crossed the border of the Russian zone and seized Tsitsihar, an act which at once brought warnings from Moscow and created alarm in England and the United States.

10 · ENGLAND—A STUDY IN DECAY AND INTEGRATION

I
In the Fog

THE England which triumphantly reëlected Premier David Lloyd George and his Coalition Government in the poisonous election campaign of December, 1918, was wandering in a political fog.

Eight years had passed since any Government in Britain had gone to the country for a mandate: years during which a Liberal Ministry had given way, under war emergency, to a union cabinet led by Herbert Asquith, who was subsequently manœuvred from office by his aspiring party lieutenant from Wales, David Lloyd George. While the war lasted, this Coalition had maintained a fair semblance of national character, though one of the greatest Liberals, Lord John Morley, had refused to support it. So, on the strength of Lloyd George's skillful appeals to public passion, responsive to his promises to "hang the Kaiser", to "make Germany pay for the war", and to create an England "fit for heroes to live in", one month after the Armistice the English voters piled up a huge majority for the Coalition. Everyone rejoiced that the war was finished; hatred of the defeated foe dominated the national exhaustion; but few sensed the purport of the profound changes that had overtaken the proudest and richest of all European Empires.

When, fresh from the ceremonies at Versailles, the Premier of England returned to London in the Summer of 1919, the political fog overhanging the nation showed no signs of

dispersing. It was present in Parliament, where the vicissitudes of six months had served to transform the Coalition into a Conservative regime, masquerading behind a Liberal Prime Minister cordially detested by the larger part of his own Parliamentary majority. It swirled over domestic policy, where the idea of "liquidating the war" and getting back to "the good old times" of 1914 was considered not only feasible, but urgent. It was present in foreign policy, which now set out once more to follow the 19th Century tradition of recreating a Balance of Power in Europe, inaugurating in the process a series of quarrels with England's war-time Ally across the Channel. It was present in British industry, where the implications of the Reparations clauses of the Treaty (particularly those relating to German deliveries of huge supplies of coal) were missed as completely as were the implications of the fatal movement toward new and crippling trade barriers all over Europe, which the Treaty launched. Only among the masses of British Labor was there doubt and unease as to the future. The Labor Party had left the Government in the election and had gone "into the wilderness" to work out a program of Socialism. The immediate task which events were thrusting upon the attention of Labor, however, was not of the future but of the present: it was the task of holding wages and living standards from the morass into which they were slipping under pressure of demobilization in the army and an industrial transition to peace conditions.

Yet the tremendous change which the war had wrought in England's position, and among the relationships in her Empire, loomed in the background of all these incertitudes and soon began to grow clearer in outline. Pressure of population had increased, in spite of war losses, at the very time her capacity for supporting that population had declined. Her world markets had been thrown open perforce during almost five years to the United States, which had risen rapidly as a formidable and outstanding competitor in wealth, industrial strength, and commercial prestige.

England's resources, especially in coal and iron, were declining. Prior to 1914, British iron from British mines

worked by British coal was used to make British machines to produce British goods, which were exported in British-built-and-fueled ships. Now, with the arrival of the first post-war decade, oil began to displace coal at sea; and there was no oil in England. Copper and rubber became primary industrial materials; and England had none of either at home, and little of the former under production anywhere in the Empire. A shortage of goods and raw materials throughout Europe delayed her factories and hampered her export revival. She was burdened with overwhelming debts whereas before the war she had been the world's creditor. Her economic life had been centered upon a thesis of destruction during five years; now, when it required reconstruction and modernization to restore England's power of competition, her industrial overlords insisted on looking not forward but backward. Yesterday had made them rich: obviously the thing to do now was to get back to yesterday as fast as possible.

Finally, during the war England's authority as the head and director of her own Empire had diminished in several quarters of that Empire; and three important elements of the great domain—Ireland, Egypt and India—were preparing to challenge that authority outright.

Nevertheless the Coalition carried on, though with waning enthusiasm among its constituent groups. The demands from the Trades Unions for wage revisions and better working hours were compromised for the moment after a series of strikes, as a brief post-war boom in trade began and continued during the early part of 1920. To assist demobilized veterans and war workers out of employment, the Government expended $310,000,000 between December, 1918, and the middle of the Summer of 1920. In the latter year unemployment insurance was made compulsory for the entire industrial population of England, as well as for most of the lowest paid non-manual workers. This step, which was taken under the influence of past experience with a more restricted and successful unemployment insurance scheme, came just as the trade boom collapsed; and, as a consequence, unemployment insurance payments began to mount before the system had time to build up a reserve.

The deplorable plight of the unemployed, the apparent hopelessness of ever getting the whole population to work again, and the onerous pressure of population upon food supplies, now led Premier David Lloyd George to try expedients for pushing emigration. He proposed to ship off the surplus industrial manpower by thousands to less thickly settled parts of the Empire. He induced the Parliament to offer a bonus to every head of a family who would go to New Zealand, Canada or Australia to become a farmer. But this project, though it sounded romantic, failed to appeal to the unhappy workman in England. During the whole of the 19th Century he and his forbears had been industrialized; they had been subjected to a process which completely destroyed the old English tradition of the land; they knew nothing of farming and had spent their lives working at mechanized trades which they could not drop now. So they refused to move from home in any numbers which would benefit the national condition. Although successive Governments, year after year, attempted to whip up interest in migratory projects; although as time wore on training centers were created at which those willing to try their luck abroad were given instruction in agriculture, the plans all fell flat because of lack of interest.

II
War and Politics

The absence from the Parliament at London of seventy-three Sinn Fein members elected in 1918 from Ireland operated to strengthen the power of the Coalition though not to increase harmony among its party groups. The Sinn Fein members had never intended to take their seats; they had run for office as a measure of non-coöperative policy, their object being to capture as many seats as possible and then to boycott the English Legislature and constitute an Independent Irish Parliament at Dublin. This was merely one phase of a campaign for self-rule which the Irish people were intensifying as 1919 wore toward an end. It left Premier Lloyd George's Coalition with 467

votes in the House of Commons against a total opposition not exceeding 118 votes; but as the storm of revolution rose more formidably in Ireland, the solidarity of the Conservative majority within this Coalition was shaken. To calm the fury beyond the Irish Sea, Premier David Lloyd George drew up a new Home Rule Bill and pressed it upon the Parliament. This move provoked immediate revolt on the part of the Conservative Unionist bloc from Northern Ireland, drew denunciation from the faction of Liberals that supported Herbert Asquith, and won no sympathy whatever from Ireland, where the history of English promises of Home Rule had by now destroyed all belief in or expectation of substantial concessions.

Ireland had decided long since that only by open and stubborn rebellion could justice be won for her claims. In the midst of the World War her political leaders had attempted revolt in the "Easter rising" of 1916, only to be crushed. Now that the World War was ended, the Sinn Fein Party returned to struggle—this time more carefully organized, more perfectly disciplined, more determined than any movement in modern Irish history. Not only were seventy-three seats in the Commons at Westminster captured from the now discredited Irish Nationalists; the First Irish Parliament assembled, and, on January 21, 1919, proclaimed the independence of Ireland, a move which was immediately proclaimed "illegal" by the London Government. During 1919 the Sinn Fein Party obtained control of most of the city and town governments in Southern Ireland. As Winter drew toward a close the Irish revolt against British rule reached proportions which could no longer be ignored and Premier David Lloyd George decided that the traditional tactics of Imperial power should be employed against it. In June, 1920, British troops were shipped in droves into Ireland to put down the rebellion. Within a few weeks martial law was on; and the battle between the Sinn Fein and the British Government began in earnest.

This conflict speedily reached such a pitch of fury and atrocities that the British Trades Unions threatened a general strike to compel withdrawal of the troops. During mid-Summer, while the railway men were being given a wage increase to head

off a complete tie-up of transport in England, the Irish war became a terror comparable only with that waged by the Soviet Russian Cheka at the other side of Europe. Raids, executions, skirmishes, assassinations, and barbarities of other sorts filled the grisly chronicle. To the iron-handed rigors of the English military, the Sinn Fein replied through its Republican army, which flitted in brigades, like a will-o'-the-wisp, hither and thither throughout the country, storming barracks, seizing ammunition supplies, answering every move of violent suppression with reprisals, drawing up proscription lists of the more ruthless of the British army officers, trying them in absentia in secret courts, passing upon them sentences of death, and delegating to resolute groups of marksmen the task of executing them. The jails were crowded to overflowing with Irish prisoners who went on "hunger strike" in protest. The savage intensity of the war grew so fearsome that all British officials in Dublin fled to Dublin Castle for safety, as the Sinn Fein completed its grip on the nation by sweeping every constituency in the local elections.

To all this Lloyd George answered with new levies of troops, and by Autumn of 1920 Ireland resembled a shambles. Villages were desolated and public buildings blown up. Instead of diminishing before stronger assaults of armed force, the rebellion merely grew to the proportions of anarchy. Enactment of the new Home Rule laws at London served merely to quicken the fury of Ireland over the proposed partition of Ulster's six Provinces from the Southern counties.

Public opinion in England and in the United States had become horrified at the spectacle and a growing demand was heard that the unequal and terrible war be ended immediately. Early in July, 1921, the leader of the Coalition in the Parliament at London responded to this pressure by negotiating a truce, which was followed by the writing of the Treaty of Peace bringing the revolution to an end. The Treaty was ratified at Dublin and a constitution was drawn and adopted October 22, 1922. Ireland had won the right of self-government and the Irish Free State was established, with its own Parliament, an equal member within the British Empire. This Treaty

split the Sinn Fein in Ireland and inaugurated a continuing armed feud between supporters of the Free State idea and those who clung to the idea of absolute freedom from connection with Great Britain. This struggle was dominated by the new Irish Government, but only after several of the ablest of Ireland's national leaders in both groups had been slain.

Scarcely was this problem brought to resolution when India, whose leaders had been studying the tactics of the Sinn Fein organization, gave signs of following Ireland's lead.

All this time the difficulties of the Lloyd George Coalition were mounting. In the Spring of 1920, British foreign policy in Europe found itself locked in a struggle of growing bitterness with French policy on the question of Germany, as the British efforts to reconstruct a European balance were countered by French determination to exploit German defeat. Both these policies followed the best models of the diplomatic processes of the 19th Century; both represented, though from opposite viewpoints, the idea that the past should override the present. Each maintained that selfish nationalism should take precedence over the interests and needs of a Europe whose well-being was becoming every month more and more dependent upon constructive vision conspicuously absent from the directing centers at London, Paris, Rome and Berlin.

England's budget deficit rose beyond $1,631,000,000; distress at home increased; unemployment soared; and in the bye elections a succession of defeats administered to Coalition candidates proclaimed the approaching doom of the Lloyd George rule together with steady gains for the British Labor Party. This party was attracting more and more public attention by its demands for a real peace, for drastic action looking toward the reconstruction of British industry, for economic rehabilitation, for a capital levy if need be to adjust the financial balance, and for a genuine political clarification along party lines on all major public issues.

When, toward the end of 1920, the trade boom collapsed, almost simultaneously this new misfortune found expression in a drive against wages and in a rapid growth of unemployment. Thereupon the Social Democratic idea became galvan-

ized into action and a concerted campaign was launched by coal, railways, docks, shipping and machine industry workers for solution of the economic difficulties inherent in sagging living standards. The process of social evolution thus indicated at the bottom of English society was further illustrated at the top by a rapid disintegration of great landed estates in England and Wales. Yielding before the force of economic events, during 1920 almost 350,000 acres of country land holdings of the aristocracy, including some of the oldest ancestral estates of the nobility, fell before the hammer of a single firm of London auctioneers. Among them was the great country estate of the Duke of Buckingham.

The new year brought England face to face with a staggering problem in unemployment, which was to behag her economy and devastate her social life year in and year out into the indefinite future. In January, 1921, there were more than 1,000,000 unemployed, and 590,000 more "on the dole"—that is, receiving benefits under the Unemployment Insurance Act toward which they had made few or no contributions. Unemployment insurance called for contributions from three sources, the employed worker, his employer, and the State. "The dole" represented sustenance payments from the Government to persons out of work who were not covered by the regulations of the Insurance Act. The lingering extravagance of the war-made rich was matched by the desperate poverty of the poor; and as huge quantities of German Reparations deliveries in coal appeared in Europe, a swift decline in British coal exports brought with it the beginnings of disillusionment as to the Treaty of Versailles among the older of England's industrial magnates. The German Reparations in kind had begun the destruction of the British coal market in Europe. As a consequence, the prestige of the English negotiator in the making of that famous Treaty, Premier David Lloyd George, fell lower each month in England.

By June unemployment had reached the proportions of a catastrophe, with 2,177,899 workers registered as jobless. The mayors of the twelve London Boroughs waited upon the Premier to demand action. Riots began in the capital and spread

through the industrial centers of the nation. Cabinet meetings and Parliamentary Committees wrestled in vain with the issue. The plight of the workless coal miners in Wales, Northumbria and Kent verged toward sheer starvation.

The Conservatives, turning to their ancient party policy, now demanded a modified tariff system, which collided with the Free Trade convictions of Premier David Lloyd George; and the Coalition, already weakened by the quarrel about Ireland, the results of the bye elections, the trade dickerings of Lloyd George with outlawed Russia, began to disintegrate. At a meeting in the Carleton Club, the leaders of the Conservative Party decided the time had come to shake free from the Liberal Premier they detested. The Coalition collapsed.

As the Conservatives foresaw, the elections in November, 1922, produced a clear majority for their party; and Mr. Bonar Law became Premier. The surprise of these elections, however, was not the Conservative victory; it was rather the startling rise of Labor's political strength in the country, where 4,000,000 votes gave Labor 142 seats in the Parliament and the title of "His Majesty's Opposition". A shift in the Government, caused by Mr. Bonar Law's retirement because of illness, brought Mr. Stanley Baldwin into the role of Conservative leader. Mr. Baldwin had already achieved prominence by his part in the negotiations through which the British debt to the United States was funded in January, 1922. His party now launched a resolute drive for deflation of the currency, with the object of pushing the pound sterling back toward pre-war parity value and restoring the gold standard. This was a fatal policy, as events were to prove; but meantime, to strengthen the campaign, the Conservatives decided that a tariff mandate might be won; so they suddenly decided to call another election to obtain it.

The guess was wrong. British Free Trade traditions were still too strongly rooted among the electorate. Liberals and Laborites alike denounced the Baldwin idea, and the polling resulted in a Conservative loss of 89 seats in the House of Commons. At the same time, the Labor representation jumped to 192 seats. Though the Conservatives were still the largest party

represented there was no escape from the electoral rebuke. So, for the first time in her history, England awoke to find herself with a Socialist Labor Government.

This regime, headed by Mr. Ramsay MacDonald, was, however, a minority Government, dependent upon division between Conservatives and Liberals. United, these two groups had sufficient votes to overturn the Labor Ministry if and when they chose. The Liberals were almost as fearful of the Laborites as their Conservative colleagues, a fact which had direct bearing upon events of the next few months in domestic policy.

For the present it was decided to allow the new Labor Premier to struggle with accumulating problems for the purpose of discrediting his party through its failures. The possibility of any action being taken toward establishment of a genuine Socialist system was remote under the circumstances, and Mr. MacDonald did not attempt it. To add to Labor's embarrassments, a series of major industrial disorders occurred which taxed the capacity of the Premier as a conciliator and left his Ministry almost bare of achievement in domestic policy.

Into the field of foreign affairs the new Premier brought brilliant talents, courage, and resolute vision. He succeeded in adjusting the ugly wrangle with France over the Ruhr occupation, and instead of pressing forward with the outworn thesis of a new Balance of Power for Europe, he laid down the principle of mutual coöperation among European governments and within the Empire. Diplomatic recognition was extended to Russia in February, 1924. Strong British support was thrown to the weak and hitherto neglected League of Nations at Geneva. A Protocol was drawn up pledging the use of the British Navy as an agency for the enforcement of League decisions on peace maintenance. A way was opened, at a Conference held at London, for the formulation of the Dawes Plan, that order might replace the chaos in the Reparations question.

But the spectacle of a Socialist Government occupying the seats of power was too much for the Liberals and Conservatives. Extension of recognition to Russia by such a regime filled them with rage. Growing radicalism among the now desperate coal miners, added to this unease; and the Labor Party

was overthrown. Labor refused to allow the Conservatives to succeed to rule without a general election and the campaign went to the country.

III

The "Do Nothing Government" and the General Strike

England's first Labor Government expressed the desire of the British Trades Union movement, and its affiliates in the field of politics, to effect gradual transformation of the social order of the state by use of constitutional methods. Its leaders, from Ramsay MacDonald down through the Cabinet, were far from being radicals in policy. Committed to the full realization of the Social Democratic idea, though lacking the actual power of a Parliamentary majority, the British Laborites were nevertheless the largest and most coherent body of progressive political force in Europe.

Under the weight of the economic depression which now bore down upon England, a strong faction had appeared in the Labor movement with demands for more drastic efforts to advance toward the new social order. On the left of this group appeared still another, which flirted with Communism. This latter group was small and politically inconsequential, though endowed with a vast capacity for making noise. In general, the body of the whole Labor movement adhered to the doctrine of MacDonald, which called not for extremist action, but for "a step at a time" progress toward Socialism.

These elements became more clearly defined in the national picture as economic depression expressed itself at the time of the Labor Government's fall from power: in a cost of living which stood at 174 as compared with 100 for 1914; in an excess of imports over exports amounting to $1,680,000,000; in a registered unemployment of nearly 1,125,000; and in hundreds of thousands of unregistered jobless workmen.

The Liberals and Conservatives undertook in October, 1924, to identify the entire Labor movement with the clamor of its extreme and negligible left faction; and they succeeded in arousing alarm among the entire propertied class in Eng-

land. Then, during the final days of the election campaign a letter purporting to come from Zinoviev of the Third International in Russia, to British Communists, bidding them prepare for revolution, was published in one of the largest of the London conservative dailies. This document proved subsequently to be the product of a forgery mill in Berlin, but it sufficed first to destroy all prospects the Labor Party might have of electoral success. Although more than 5,000,000 voters supported the Labor candidates at the polls, their number of Parliamentary seats was cut to 155. The Liberal Party, which had contributed to the general alarm of the electorate, failed to win the support expected; England was too frightened, and but 2,928,000 Liberal voters marked ballots for the party candidates. Accordingly the Conservatives rolled into power with a vote of 7,861,402 in the country, and 413 party seats in Commons, or 67.2% of the entire 615 seats available. Their majority exceeded 200.

One of the first acts of the new Government was to repudiate the Geneva Protocol. To advance the English policy of Balance of Power, which was now resumed, the Conservative Foreign Office, directed by Sir Austin Chamberlain, developed and transformed the lead given it by the Labor Premier in the Reparations dispute as represented by the Dawes Plan and later, in 1925, lent support to Germany's offer to France of a pact of mutual guarantees for peace along the Rhine. By this treaty —the Locarno Pact—both Germany and France pledged themselves not to attack each other; the Western frontier of Germany was recognized with finality as drawn under terms of the Treaty of Versailles; and England, with Italy, pledged herself to go to the aid of either country in case the other violated its pledges. Thus England held the balance between Germany and France. The treaty proved to be one of the major constructive acts of the decade and promised to strengthen progress toward European rehabilitation.

In addition to inaugurating another forward movement of their familiar foreign policy thesis of Balance of Power, the Conservatives decided that the time had come to restore the gold standard as the base of the pound sterling. This decision,

acclaimed by many financial interests as a real sign of European recovery, was to have consequences of extreme gravity in the subsequent economic life of England. For the British Government, during and immediately after the war, had borrowed enormous sums of money when the pound sterling, off the gold standard, was worth slightly more than $3.20.

The Conservative Party determined not only to restore the gold standard, but also to force the pound back to its post-war parity value first, in the belief that the strengthening of British money and credit thus obtained would offset any hardships which might flow from reëstablishing an expensive money. In this they blundered badly, for the rise in the pound, thus engineered, added nearly 30% to the overhead charges on a British industry already sorely crippled; and at the same time England was placed in the position of having to pay off the $3.20 pounds sterling she had borrowed with pounds worth $4.86 each.

The evil results of this action were, however, slow in disclosing themselves. In the domestic scene other issues were rapidly developing which preoccupied public attention. A series of savage labor disputes appeared in industry as employers strove to compensate the rise in their costs by a reduction of wage levels. Efforts to assist industries with a modified tariff system, described as "safeguarding", afforded no important aid. Expensive British money undertook to compete with the depreciated currency of Continental Europe, with the result that cheaper competition steadily undercut British exports, thus creating a vicious circle of more unemployment for England.

Among several important industries affected by this process was the coal industry. Exports fell off 25,000,000 tons in 1925. As the disorganization of the coal industry spread, the operators turned to more wage cuts. The Miners' Federation, with 1,000,000 members, immediately opened negotiations with the British Trades Union Council, representing the Federation of all England's Trades Unions. The purpose of the miners was to develop a common Labor plan for defense of living standards. The prospect of having wages which averaged $12.12 a week for those employed subjected to a direct cut, was taken

by the Labor movement to mean a general offensive against all British Labor which must be resisted.

This ominous situation developed rapidly, and as it did so the Baldwin Government took fright. A Government subsidy was offered the coal industry for one year, during which time a Royal Commission was designated to study the industry and recommend reforms. This subsidy ran until May 1, 1926. In the early months of that year, however, the Royal Commission, while reporting with a drastic proposal to nationalize the entire coal industry, wound up its recommendations with the statement that wage cuts were necessary.

No sooner was the Commission report published, in March, 1926, than the General Council of Trades Unions renewed preparations for a general strike to defend the coal miners. As April passed, the moderate Socialists together with most of the party leaders, strove frantically to halt the tide. They failed. Government, miners, and operators were alike obdurate. Accordingly at midnight, on May 3, the first general strike of British Labor began. Some 3,000,000 workers in the transport, docks, mines, building, railways and other trades obeyed the call of the Trades Union Council to "down tools". During the ensuing nine days England's industrial machine was completely crippled.

There was little violence. The strikers, and the nation generally, refused to lose tempers. When the ever-ambitious and intrusive Soviet Third International offered money to aid the strike, the check was returned to Moscow. The paralysis could not go on; and as it was increasingly evident that the general strike tended to grow, the moderate leaders of Labor undertook to halt it. Labor had selected a revolutionary weapon; but revolution was not what Labor intended. Its aim was to maintain living standards and wages against reduction efforts. So, as the true nature of the step taken became clear, a group of leaders called off the strike, May 12, after agreement with the Baldwin Government as to restoration of normal working conditions. The strike had failed completely. England breathed easier and set to work to straighten out the fearsome tangle as best she could. The coal miners, refusing to accept defeat,

continued their fight alone for months, until hunger finally fractured their solidarity. England had escaped the breakers of revolution by an exceedingly close margin.

As affairs slowly settled back from the high plane of excitement the moderate Socialist leaders of the Labor movement in Britain turned their attention to the retrieving of British Labor from the political effects of its blunder. In this they found no sympathy among the infuriated Conservative ranks; the Baldwin Cabinet, as soon as the chaos of the strike was resolved into some sort of order, immediately set to work to follow up the advantage the Government's victory had provided. It was decided to enact a statute designed to destroy the financial resources of the Parliamentary Labor Party by ending the contributions made by the Trades Unions to the political agency of the whole Labor movement. Although strenuously fought, this program was carried out. British Labor, however, viewed this as merely a temporary setback for the cause of the Social Democratic idea and shifted its strategy to new ground. Under the direction of its leaders, its program was modified so as to offer an appeal to the left wing of the Liberal party. The Liberals, reduced in power in Parliament, divided among themselves by the continuing internecine feud between David Lloyd George and the sustainers of the Asquith cause, were by this time badly discredited in the country. The Labor movement had snatched from them their ancient role as sole representative of progressive policy. The industrial malaise had weakened their strength and blurred their purposes in centers like Manchester, which formerly had been a stronghold of the party power. Their old leadership had, in course of time, drifted toward a conservatism, which tended to bring one-half of the party closer to the philosophy of the Conservative Party, while it displeased and exasperated the younger members of the party and drove them more and more toward the left where Labor stood. So, by broadening its policy, the Labor movement acted shrewdly; and events soon began to verify the accuracy of its political analysis.

There were still 1,538,687 unemployed on the official registers in December, 1926; and though the figure fluctu-

ated downward during the next year, it began to climb again early in 1928. Export trade fared worse than ever, while imports stood in 1927 nearly $2,000,000,000 above exports. This meant that the great industrial nation, whose entire economic structure reposed on a foundation of large export volume, was making no headway whatever out of the dismal depression now entering its seventh year. The squalor and poverty among the city slums and in the industrial centers grew apace; and during the Winter of 1928 attained such a condition of horror among the mining districts that the remainder of the nation, impoverished as it was, mobilized every pound of food and every spare garment it could to alleviate the suffering of the miners, who by this time had been reduced to a condition of dull and apathetic misery. In scores of squalid villages in the Welsh valleys and throughout Northumbria, children walked barefoot in rags through the snow; in thousands of homes there was nothing to eat but bread and tea. Undernourishment and emaciation pushed up the death rate. Remnants of furniture and bedding were used for fuel.

The helplessness of the Government in the face of this appalling situation created for it up and down England the name of "the do nothing Government". For English conservatism was caught in a dilemma: its pride of financial tradition rested upon its professed ability to develop and manage an industrial nation better than any other political party; yet the self-imposed burden of a pre-war parity value gold standard pound sterling helped frustrate its every move for trade recovery. The charges of unemployment on the local poor relief agencies throughout the nation carried hundreds of communities headlong along a course represented by rising tax rates levied against local industries which were still functioning; these burdens broke down and halted such industries, adding to the unemployment problem. At the same time, the Conservative Party philosophy was opposed to the acceptance of the domestic relief programs urged by the Liberals and by the Laborites, who believed a vast scheme of public works was the only way out.

Gradually the drain on the National Exchequer grew. At

the same time, steady losses in the bye elections indicated that the Labor movement had succeeded in its new tactics of appealing to the more progressive faction of the Liberals to unite with the Labor supporters. Intellectuals, men of letters, scientists, economists, members of the professions, began to troop over to the Labor cause. In these circumstances, the Conservative Government decided to go to the polls again on May 30, 1929, to seek a new mandate.

Its opponents accepted the gage of battle with alacrity, and opened immediate attack upon the Government for its reaction in foreign policy and for its failure on the domestic scene. The case against the Conservatives on foreign policy was serious, because, in 1927 at a meeting at Geneva with the United States and Japan to discuss naval reduction, the British Admiralty had quarrelled violently with the United States on naval parity; and as a result the Naval Conference ended in a dangerous fiasco that embittered English relations with America and threatened to undo the whole policy of rapprochement between Great Britain and the United States inaugurated at the Washington Arms Conference in 1921-22. So while the Conservatives campaigned on the issue of the general strike of 1926, their opponents fought on the nearer issues of domestic suffering and armament competition. The Liberals put forward a huge program for public relief through public construction, which they proposed to finance by a staggering loan. Labor, mindful of the trick played in 1924 by the "Zinoviev note", issued a manifesto announcing that it was "neither Bolshevik nor Communist", and that the public should not be fooled by "the red bogy of skull and crossbones, clanking chains, and bloody daggers". It pledged the Socialist Labor movement to a program of moderate socialization, step by step, to be carried out by peaceful means, without disorder and only "with the consent of the majority of the electors by use of the ordinary machinery of democratic government".

The Liberal program failed to attract the voters, largely because England was by now thoroughly disillusioned about David Lloyd George and had come to measure him as a pure opportunist. The Conservative campaign likewise fell flat.

Labor, advocating immediate resumption of diplomatic recognition with Russia (which had been ended by the Conservatives in 1927), further steps for the strengthening of world peace, the evacuation of the Rhineland by all Allied forces of occupation, a return to the policy of friendship with the United States, and a new Conference on naval reduction to wipe out the evil effects of the Geneva misadventure of 1927, came through the election with 289 seats and became England's largest party, while the Conservatives lost their entire majority and fell to 259 seats. The Liberal strength shrank to 58 seats.

In this election the sponsors in England of the Social Democratic idea not only wiped out the damage done their cause by the general strike of 1926; they attracted the support of a great section of the Liberal Party and a sizable majority of the newly enfranchised "flapper voters"—the women under thirty and above twenty-one to whom the Conservatives had extended the franchise in 1928 with the expectation of reaping a reward of gratitude.

IV
Toward the Precipice

The second Labor Government assumed office in June, 1929, led by Ramsay MacDonald, who again became Premier. It was a Government dominated by the moderates in the Socialist-Labor movement, and in its formation care was taken to reward the left-wing Liberals who had lent Labor assistance in the campaign. The Attorney Generalship was offered to one of this group and accepted. Philip Snowden, who had occupied the Chancellorship in the first Labor Ministry, again took charge of the Exchequer, while Premier MacDonald once more added the Foreign Secretaryship to his own tasks. By naming Miss Margaret Bondfield Minister of Labor, the new Government shattered all political precedents and recognized the advance of Englishwomen in the domain of public affairs.

A special effort was made to insure direct and practical

attack upon the problem of unemployment, the task being assigned to the Lord of the Privy Seal, who was relieved of other duties pertaining to that portfolio; and Mr. J. H. Thomas, a veteran labor executive from the railway unions, was assigned this difficult undertaking.

England had taken in 1909 the first step toward making unemployment relief a State responsibility, when the Government created Labor Exchanges under the Board of Trade. At the outbreak of the war there were 400 of these agencies in operation and in 1930 the number had risen to 417 with 752 branches. The function of these Exchanges was to provide free employment service for the workless. In 1911 a National Insurance Act sponsored by the Liberal Party provided insurance against unemployment in the seven largest trades, establishing compulsory contributory insurance for about 2,500,000 of the workers. The cost of this system was covered from three sources: the worker contributed five cents a week: the employer paid a similar amount for each of his employes who came under the provisions of the Act; and the State added three cents more for each individual insured. No payments to unemployed were made under the provisions of this Act until the expiration of six months, that the reserve fund might be built up to give the system a sound financial basis. Thereafter, an insured worker who proved his right to Unemployment Insurance payments at his Local Labor Exchange, was entitled to draw $1.75 a week for 15 weeks; but to establish this right, he was also required to prove that he was unemployed through no fault of his own and that there was no work of the type he performed available.

Such in essence was the British Unemployment Insurance plan when the war came. In 1916 the system was extended to all munition workers. In 1920 a new law based upon the experience of the older Act, made Unemployment Insurance compulsory for the entire industrial population and for all the lower paid non-manual workers. With farming, domestic service, and public service workers excepted, the new law insured nearly 12,000,000 of the English people between the ages of sixteen and sixty-five years. The benefits were to run for fifteen

weeks, as before, with weekly payments of $3.75 to workless men and $3.00 to jobless women.

This change, which was sponsored by the Liberal Party leader, David Lloyd George, and supported by his Conservative Coalition in the Parliament, became operative in England just as the brief trade revival of the post-war period came to an end; and the immediate result was a rapid multiplication of the unemployed and a heavy drain upon the Insurance fund before its reserves had been built up to meet the new demands. As larger numbers of permanently unemployed appeared, the fifteen weeks payment limit failed to remedy the situation or to meet the need. A developing social unrest led the Coalition Ministry in 1921 to put through emergency acts supplementing the Insurance Act. The original requirements, which made eligibility for unemployment pay dependent upon a stipulated scale of previous contributions by the worker, were devastated; and the Exchequer was tapped to meet the deficit thus caused.

Extension of benefits in 1924 provided a system of indefinite payments to any jobless worker who had made thirty contributions before becoming unemployed, or who had made eight contributions within a period of two years. Finally, to prevent starvation, it was found necessary to begin relief payments to persons who had made insufficient contributions or none at all. Thus began the "dole" and, as the months passed, the operation of this system steadily sapped Treasury funds in an increasing volume.

The MacDonald regime faced an extraordinary set of problems other than that of unemployment as the Summer of 1929 advanced. In addition to resuming relations for trade purposes with Soviet Russia, the Premier undertook to counteract the exceedingly bad feeling that had developed between the United States and Great Britain as a result of Conservative mismanagement at the Geneva Naval Conference in 1927. To this end, Premier MacDonald made bold departure from precedent by visiting Washington in the Autumn of 1929 and talking over prospects of naval limitation agreement with President Hoover. The outcome of these conversations was the London Naval Conference, which was held among the five

leading naval powers of the world—England, United States, Japan, France and Italy—the following Spring and Summer. From this Conference there resulted on England's part an acceptance of the American claim of naval parity; and an agreement among England, the United States and Japan on building programs for a ten-year period designed to prevent competitive building of warcraft. The other two nations represented, France and Italy, became snared in a quarrel over the issue of a parity which Italy demanded with France and which France refused to concede to Italy. As a consequence, neither signed the limitation treaty and both plunged at once into a race of competitive construction.

The leader of the Labor Government also turned his attention to the building up of power and prestige for the League of Nations at Geneva through British coöperation. Under the influence of the London Naval treaties the major Powers, which up to this moment had refused to sign the Optional Clause of the Covenant of the League by which signatories agreed to submit all disputes, of whatever origin and nature, to arbitration and World Court decision, now changed their views and adhered to this convention. The Kellogg Pact, calling for the outlawry of "wars of offense" and substitution of negotiation and arbitral methods of settlement of disputes, strengthened the influences which now seemed to be carrying the League to new prestige and importance. The withdrawal of the last of the Allied troops occupying the Rhineland was arranged. The Reparations problem seemed to be advancing toward manageable proportions as the difficulties arising from the Dawes Plan now compelled revision of that scheme by the new expert Commission headed by Owen D. Young, an American financier.

But the London Naval Conference had not completed its work when India launched her long-delayed revolution, bringing further woes to the great textile industries in England and new difficulties to the Premier. A sharp quarrel with France at The Hague, over operating details of the Young Plan and Reparations division, embittered the Anglo-French relations again, just as the policy of European coöperation appeared to

be making headway. At home the colossus of unemployment stalked ever larger, casting a shadow over finances as one Minister after another found himself helpless to halt it. The Labor Government, which depended upon Conservative and Liberal votes in Commons, found itself stopped from any bold program in the domestic field.

By June, 1930, England had 1,643,469 registered unemployed; by December of the same year the figures had climbed to 2,145,734; by the end of another six months, the total stood at 2,736,000. The vitally important volume of export trade, which in 1927 was figured at $4,341,000,000, fell in 1929 to $4,080,000,000 and in 1930 below $3,000,000,000. The rapid collapse of industrial conditions thus revealed explained the simultaneous rise of the numbers of the unemployed. Expenses of Unemployment Insurance had now reached such proportions that a series of heavy loans from the Exchequer became necessary to carry on the Insurance fund; and these borrowings multiplied so rapidly that the stability of the Treasury was threatened. Added to the difficulties at home were shocks from Australia, where bankruptcy threatened to prove disastrous to hosts of British investors. And in the meantime, a succession of events on the Continent of Europe was sweeping Germany toward new and ruinous dilemmas which affected the financial health of the pound sterling.

Into the ominous complexities of this darkening scene, a bombshell was dropped early in August. During the Spring previous, as the dangers confronting the budgetary position of the nation were growing, a Royal Commission headed by Sir John May, an insurance expert, had been appointed by the Parliament to examine the operation of the Unemployment Insurance system and "the dole", and to recommend reforms. The report of this Commission now hit England with the force of a major explosion. It was announced by the Commission that a deficit of $600,000,000 impended in the Exchequer; that drastic reduction in unemployment payments must be made at once; that contributions must be increased in size and in number; that the whole structure of the Social Services must be revised through dropping construction projects and by heavy

cuts in the pay of workers. The alternative, declared the Commission, was bankruptcy.

While the nation was staggering from this blow, Germany entered upon the latest series of financial-economic-political convulsions to which the consequences of the Versailles Treaty, its Reparations addenda, and the frustration of her Customs Union project, doomed her. Anxious statesmen and sleepless financiers strove with desperation to stay the avalanche of catastrophe this situation threatened to let loose. They effected their purpose only in part. Germany sank into financial panic and ceased all payments on her obligations as her stock exchanges, her banks, and her industries came to a standstill.

This crisis in Germany immediately found repercussions in London, where acceptance banks had borrowed heavily from France on a low interest rate, and re-lent to Germany at a higher rate. German payments being halted, the French lenders called upon London for their money, most of which was in short term obligations. A drive on the British pound sterling was thus launched from Paris; and the gold reserves of the Bank of England shrank steadily as golden metal shifted to the vaults of the Bank of France.

To halt this progressive financial calamity, the British Government hastily borrowed a quarter of a billion dollars from New York and Paris. The run continued, and within a fortnight the loan was exhausted. Another huge borrowing became necessary; but foreign bankers in New York and Paris intimated the desirability of balancing the British budget as preliminary to further credits.

Meantime the domestic crisis had grown worse in England and events were moving with headlong speed. The Labor Government, striving to reassure a public thoroughly frightened by the Royal Commission report, pledged itself to balance the budget and began to wrestle with the problem involved in carrying out its pledge. In this task, either from the Bank of England or from the financiers at New York, suggestion had been made that the "dole" must be cut 10% if loans were expected. This news immediately blew up a storm in England among the masses of the public and especially among the labor

organizations, which denounced as a "banker's conspiracy" the demand that sustenance pay to the unemployed be reduced. Division appeared on this issue within the Labor Ministry, the majority opposing the reduction of the "dole" and the slashing of wages of Social Service employes. On the other hand, the Conservative Party and the Liberals flatly refused collaboration with the Labor Government unless tax increases were held to a minimum and both the "dole" and the Social Services were thoroughly "revised". The conflict of decisions thus represented among the Cabinet members on one hand, and between the Premier and the Conservative and Liberal Party councils on the other, created an impossible impasse. On August 24, 1931, the Labor Government submitted its resignation to the King, who immediately commissioned the Labor Premier to form a National Government of all parties to rescue British credit at home and abroad.

V
The Debacle

To bring all political parties in England within the fold of a new Coalition Cabinet; to adjourn politics during the national emergency; and to present a united front against the dual problem of domestic crisis and international credit dangers—this was the task which the National Government set itself. Ramsay MacDonald undertook the leadership of the new regime, to which the Liberal Party council and the Conservative directorate lent their support. But the cornerstone of the new Cabinet's domestic policy was the slashing of the "dole", heavy pay reductions for all civil servants, and new taxation to balance the budget. The British Labor movement had pronounced vehement hostility to the economies proposed. So, when Premier MacDonald, supported by Philip Snowden, J. H. Thomas and two or three other members of the quondam Labor Ministry, entered into the National Government without consulting the Labor Party Council, they were denounced as deserters, their actions were officially repudiated in advance

by all groups within the Labor movement, and their program was rejected in a joint manifesto issued by the Trades Union Council, the Independent Labor Party, and the Parliamentary Labor Party. No more scathing arraignment had appeared in British politics since the close of the war than this document. It declared that the attack upon sustenance payments to the destitute was a crime against humanity; that the whole economies program of the National Cabinet was merely the opening chapter of a new drive against living standards all over the nation; that many other expedients were available for solution of budgetary difficulties; that international capitalism preferred to impose the burden upon the poor; and that the adherence of MacDonald and his handful of associates to this drive, against the wishes of the majority of his own Labor Cabinet and in defiance of the wishes of the Labor Party executive, cancelled his authority to speak for either Labor or its social program. Finally, it called upon organized Labor all over England to unite for resistance.

When the abandoned leader turned to his constitutency for support, a second repudiation awaited him. J. H. Thomas was forced to resign from the Railway Union to forestall his expulsion from its ranks. Philip Snowden, Chancellor of the Exchequer, realizing that his career was approaching its end, announced that he would retire from public life as soon as the program of the new Government was enacted by a special session of the Parliament summoned for the purpose.

So the National Government, almost immediately it was organized, lost its national character and became a Conservative-Liberal Coalition, assisted by a repudiated group of former Labor leaders. Nevertheless it set to work heroically to effect the reforms needed to bring a new loan from abroad. Within a few days an emergency budget was devised and presented to the Commons. This hastily drawn budget would, the new regime had promised, follow the principle of "equality of sacrifices"; but the budget abandoned that principle entirely in practice, fulfilling the worst predictions of its Labor opponents. To a cut of 10% in the "dole", it added an extension of the range of insurance contributions from the employed and a

reduction of the payments made. Salaries of all civil servants were cut from 12 to 30%. Though the cut in the "dole" required compensatory addition of fifty cents to the pound in the income tax of the wealthier class, their tax was boosted but five pence on the pound, or about ten cents. A 10% surtax on great fortunes failed to equalize the burden. While the pay of the ordinary seaman in the fleet was cut as high as 37%, the pay cuts of the officers ranged between 5 and 12%. The school teachers suffered to the extent of 15% reductions.

This inequality of burden bearing immediately produced a marked division between the propertied classes and the working masses in England. For the first time in the modern history of that nation, a clear line of demarcation was evident between "have" and "have not". Scarcely had the budgetary revisions been announced, when the nation was startled by the extraordinary spectacle of a mutiny in the fleet, which speedily forced the National Cabinet to recede from its position as to pay cuts in that quarter. The mutiny, the first in more than a century and a quarter, was entirely good-humored on the part of the mutineers; but the Admiralty and the Government recognized the warning it conveyed; and in spite of sharp campaigning by the London *Times* for general industrial wage cuts to round out the national economies, British industry put off action.

During all this hectic struggle, the National Government had explained that its primary purpose was to hold the pound sterling to the gold standard and strengthen the nation's credit facilities. But the alarm stirred by the naval mutiny, the solidifying of Labor opposition, and the rapid exhaustion of the gold reserves of the Bank of England now fused to destroy domestic confidence in the pound sterling and a flight from pounds to dollars began in London.

The social struggle sharpened. As it did, the issues involved served to strengthen the authority of the Socialists in the Labor movement. This was followed by a drive within the movement to divide the Socialists from the body of their liberal and moderate supporters who had backed Labor under the earlier policy developed by Ramsay MacDonald. Agitation in-

creased as Arthur Henderson, but lately Foreign Minister in the Labor Cabinet, assumed MacDonald's mantle as leader of Labor and sought to temporize with the moderates. He was forced from these tactics within a fortnight, and came forward with a demand for a genuine Socialist program for the whole Labor movement. So the class strife grew in England, and as it spread a yawning gulf of division between the propertied class on the right and the defenders of the Social Democratic idea on the left, another crisis convulsed the financial life of the nation.

For the onerous economies in expenditure, the increases in taxation, the elimination of large parts of the works program of the Government, were not enough, A balanced budget failed to strengthen England's world credit and her domestic confidence was disintegrating. The National Cabinet arranged a new loan of 80,000,000 pounds sterling with New York and Paris and within a fortnight this had been drained away. Panic seized the propertied people in England. The domestic flight from the pound sterling swelled to the proportions of a headlong rush. With a trade loss in one year of more than $1,000,000,000, it was plain that none of the financial medicaments thus far applied would rescue England from her malady so long as the pound sterling was held artificially to a $4.86 parity value on a gold basis. On September 21, the English Government admitted defeat in the six-year-long struggle against inflation. The gold standard was abandoned by decree of the Cabinet. The London Stock Exchange closed its doors. As the shock reverberated across the financial world, exchanges in all other cities in Europe, save in Paris, were shut. Within a week the value of the pound had fallen to $3.37. As England had led post-war Europe back to the gold standard in money, in 1925, so now her action precipitated a desertion of that standard, which became cumulative as the weeks passed.

The National Government was now in a grave predicament; for the loss of value which overtook the pound sterling depreciated the purchasing power of the British masses still further and amounted to a new cut in real wages, "dole" and Unemployment Insurance payments ranging up to nearly 25%.

The loss of the fight for the gold standard and the subsequent decline in the value of the pound, raised the cost of the latest huge loan of 80,000,000 pounds at 6% to 96,000,000 pounds, thus cancelling the whole budgetary benefit accruing from the 10% reduction of the "dole".

Savage food riots burst upon Glasgow and London and other cities throughout the Island. Calamities multiplied swiftly and, as they multiplied, the Conservative Party, which by this time had captured most of the cabinet positions, forced Premier MacDonald to call a general election to provide the Government with a national mandate. Conservative tactics were developed with a bold bid for power on the issue of tariffs, though tariffs, since the gold standard was abandoned, had become politically dangerous and economically dubious unless and until the pound was pegged. To advance their own party progress, however, and at the same time to garner any advantages that might accrue through the MacDonald leadership, the leaders of the Conservative Party proposed that the election be held on the issue of continuing the National Government, which they supported. But Tory tariff aspirations now fractured the support given the National Cabinet by the Liberals, who split into three groups—one, led by Sir John Simon, adopting the Conservative philosophy for tariffs, another, led by Sir Herbert Samuel, choosing to go along in coöperation with the National Government and await specific opening of the tariff issue, the third, led by David Lloyd George, violently denouncing the election as a "Tory ramp" or "swindle" and a "Conservative booby trap", designed to force the nation from its traditional Free Trade policy under stress of a national crisis.

The Labor movement swiftly set about consolidating its position and laid down a program for nationalization of banking, land, and public utilities on a straight issue of Socialism. But the desertion of the Party's two most conspicuous leaders, Ramsay MacDonald and Philip Snowden, placed the Laborites under a serious handicap. Monster parades of Civil Servants marched through London, protesting their pay cuts. And Premier MacDonald, denied renomination in his constituency,

decided to fight the Labor Party there by seeking election regardless.

England entered a campaign which surpassed in its bitter fury any political battle she had known since 1832. All organs of the press save the *Manchester Guardian* (Liberalism's famous champion) and the *Daily Herald* (the official newspaper of the Labor movement) united to identify the Labor Party with Bolshevism. High dignitaries of the Church of England joined in the assault upon Labor, with dire predictions that the pound would shrink to a penny in a fortnight if Labor won. The three former leaders of the Socialist-Labor group joined in this attack, denouncing their lifelong associates as madmen. Premier MacDonald insisted that a Labor victory would mean a repetition in England of the financial debacle which had overtaken the German mark in 1923. Philip Snowden, with acid tongue and emotional fury, denounced the financial record of the Labor Government—which he himself had been responsible for during the past two years as Chancellor of the Exchequer. The Conservatives, united at last by the prospects of a genuine triumph, campaigned openly for the full Conservative program, regardless of the efforts of their leader, Stanley Baldwin, to maintain the contention that a mandate was being sought for a "National Government". On the final day of the campaign, from quarters close to the Tory high board of strategy, a charge was published broadcast in the press accusing the former Labor Government of having raided the Postal Savings funds of the people to obtain sinews for the "dole". As in the case of the famous "Zinoviev note" of 1924, this accusation was soon proved a falsehood; but it served to add the finishing touch to the panic which the supporters of the emergency Government were assiduously developing among the public. In a frenzy of hysterical fear and alarm the British electorate swept aside the Laborites and returned 551 members for the National Government, 470 of these being Conservatives, 66 National Liberals, 13 MacDonaldites, and 12 Independents. The Labor membership of the Parliament was slashed from 280 to 53 seats. Labor was demolished as a political force in the Commons for the time being; but not in

the country, where 6,700,000 voters, constituting slightly more than one-third of the entire electorate, supported its cause. The political tornado had loosened from the Labor ranks a large number of the progressive Liberals who had flocked over to the movement since the inauguration of Labor's new policy following the General Strike, this loss being represented by a shrinkage of approximately 1,665,000 votes as compared with the Labor poll of 1929. The Conservatives, with 11,840,000 votes, had picked up 3,270,000 new supporters together with full control of the new Government.

The greatest loss to the Labor Party was not represented in its shrinkage in the Commons, which was due in large part to three-cornered contests as the popular vote revealed. It was rather the loss of almost the entire complement of its leadership, which went down to defeat in the constituencies. Labor was not only shrivelled in the Commons; it had none of its outstanding chieftains left to lead the fragment.

So, while the MacDonald-Conservative-Liberal Coalition turned to the difficult task of running a National Government overwhelmingly composed of the convinced and formidable foes of the ex-Labor Premier, England settled back to watch. Labor turned to the task of reconstructing its policy along lines more directly and specifically concerned with Socialism, abandoning the modifications which the gradually evolving conservatism of MacDonald had imposed upon the party. Mr. Snowden was rewarded by a peerage for his efforts. Within six weeks of the election the Conservative bloc in Parliament forced the abandonment of the Free Trade policy which England had pursued during nearly eighty years, served notice upon Premier MacDonald that it would not tolerate a settlement with India unless Conservative wishes were consulted, informed the Indian Round Table Conferees that England would not make the concessions demanded, and launched an attack upon the claims of the Dominions for enlarged autonomous powers.

VI

From Empire to Commonwealth of Nations

While the "Mother of Parliaments" was floundering from one set of difficulties to another, becoming steadily more aware that the crushing hardships of the war's legacy could not be shifted to the vanquished, or indeed overcome at all as long as the dislocations, feuds, and political hates generated by the Treaty and its consequences continued to bedevil the whole economic life of Europe, the Empire which England had long directed from London was passing through a remarkable evolution.

Up to the outbreak of the World War, this vast aggregation of differing races, in territories scattered over the earth and among the islands of the seven seas, had taken its unity from the centralized control exercised by the Imperial headquarters, at Downing Street. The financial strength of this center of authority, the Imperial trade relationships of England as import and export center, the fact that the entire military and naval strength of the Empire based upon the British Isles, and that Imperial coöperation and settlement had found their sources in the same quarter, had prohibited any other arrangement.

The war, however, brought vast sections of this great Empire into close contact with one another for the first time. India met Canada and South Africa became acquainted with both. New Zealand made acquaintance with the others. All found themselves cheek by jowl with men from the English homeland—soldiers, statesmen, politicians, royalty, and civilians. All had tested themselves; and all had watched their Imperial associates undergoing the same tests. The results were similar to those produced by the French and Indian Wars among the American colonists a century and a half before. The awe of England, among populations from the outlying parts of the Empire waned, and self-assertive insistence upon equality appeared. In that earlier time, coercion had produced the American revolution. In the altered circumstances of the 20th

Century, coercion was equally a failure when it was invoked against Dominions and possessions demanding admission to status as equals within the Empire; but, fortunately for England, her statesmen of a later generation had the wisdom to realize the changes time had wrought, to shift the structural foundation and the Imperial policy to more realistic bases, and to adapt both to the new facts.

The old conception of the Empire was already doomed when the Armistice came. At the ceremony of the Versailles Treaty signing, General Ian Christiaan Smuts of South Africa posed against it the challenge of the newer idea, when, ignoring all Imperial traditions, he publicly condemned a treaty which was the handiwork in part of a Premier of the British Empire. A repudiation even more startlingly emphatic of the right of the old central authority to swing the Dominions in its train without their consent, followed three years later, when the Turkish Nationalists, supported by France, defeated the Greeks to whose aid British policy had come in Asia Minor. This was essentially a quarrel between the two chief European Allies over respective claims for Imperial aggrandizement in the Near East. It was just such a cause as the old Empire had always carried through on its own initiative. But when Premier David Lloyd George called upon the Dominions to snatch "the sword of the Empire from its scabbard", he received rebukes by cable from every important Dominion Government instead of patriotic pledges of support.

The transition of the British Empire was thus under way immediately after the war. As time passed, the narrative divided roughly into three installments: the absorption of new territories; the growth of autonomous authority among the older Dominions; and the revolutions which followed attempts by London to stay an inevitable national evolution in Ireland, Egypt and India.

In central Asia, British Imperial influence met repulse and was forced to retreat before successful onslaughts of the Soviet Russian Republic between 1919 and 1921. But England's acquisitions in Africa and in the Near East and elsewhere as a result of Allied victory, more than compensated her for this

recession, which affected her prestige rather than her titles of possession. German East Africa, sections of Togoland, the Kameroons in West Africa, and German South West Africa passed to British control on the Dark Continent, giving the Empire in that quarter a continuous land belt extending from the Cape to Cairo in Egypt. Turkish rights in Upper Egypt were confiscated, leaving British authority the overlord in the Nile Country. From Mesopotamia, in Asia Minor, the State of Iraq was carved in the interest of British policy and an Arab king was enthroned there to reward the Arabs for assistance given during the war against the Turks. Iraq passed to official British control as a Mandate from the League of Nations; Palestine was also brought under British influence, as was the little Transjordian State. The object of these acquisitions in Asia Minor was to throw up a barrier between Turkey and the Suez Canal.

During the first years after the writing of the Versailles Treaty and its correlative pacts, the British sought, unsuccessfully, to bring Arabia under their direct control. Thwarted by an Arabian revolt, they sought and secured peace in that region by paying an annual subsidy to the ruler of Mecca.

The lands and peoples in Asia Minor thus brought under British authority as successor to the Turkish power were not placed in the old category of colonial possessions, which would have been their lot during the 19th Century. President Wilson, in his fight for a League of Nations at Paris, had succeeded in having incorporated into the League Covenant a "mandates system" which, he hoped, would put an end to the time-honored Imperialistic practice of dealing with peoples and territories of alien races as if they were pawns in a diplomatic chess game. Three classes of mandates were thus created—Class A: which was applied to regions whose populations were ready for self-government but needed brief protection and guidance during the post-war confusion; Class B: which applied to territories and peoples preparing for self-government but needing longer supervision and guidance; Class C: which applied to peoples backward and unready for self-rule. The last named category was, in effect, all that remained of the old Imperialistic

colonial system. The mandated territories of the first two groups were thus set upon the road to independence; only in Class C mandates was outside control fixed indefinitely. Furthermore, in all these classes, the Power holding the Mandate was placed under the eye of a League Commission to which it was made responsible and before which it was ordered to answer any protests as to its policy emanating from the mandated peoples.

The effects of this system as applied to England's portions of the redistributed German and Turkish Empires were mixed. Iraq, as a Class A mandate, was ready by 1930 for independence, which England granted while sponsoring the little nation's admission to the League of Geneva. In Palestine a stubborn feud between the Arab majority and the Jewish minority to whom England had pledged Palestine as a Jewish homeland, continued year and year about to disable progress and repeatedly erupted into bloody quarrels. In Africa, slowly awakening native sentiment for freedom complicated the British task; but affairs progressed with moderate success as concessions were wisely offered.

Compared with the problems of the new territories, the issues presented by the older and more stable elements of the British Empire were far more difficult. The swing away from centralized control increased rapidly between 1919 and the close of 1920 as Canada, Australia, and New Zealand found themselves compelled, by the persisting economic anarchy in Europe, to swing into closer relations with the United States. In addition to the economic tug that was parting the old Imperial strands, the Commonwealths of Australia and New Zealand were growing increasingly hostile to Japanese immigration among the Pacific Islands. This attitude was expressed sharply in their demand that a huge naval base be constructed at Singapore Straits to guard the entrance to the South Pacific. As a consequence, England was compelled to suspend the renewal of her alliance with Japan.

The wrangling between the Dominions and the home country about questions of autonomous powers, general policy, and economic readjustment, resulted in the first Imperial Con-

ference, which met at London in June, 1921. That conference signalized the definite breakup of the old Imperial idea and brought into existence the British Federation of Commonwealths to replace it. Yielding to pressure from South Africa, Canada, Australia and New Zealand, the British Government at London laid down "coöperation with the United States" as a cardinal principle in future policy. Membership of the Dominions in the League at Geneva was recognized as giving them increased authority and responsibilities for their individual points of view in world matters. A demand that all Dominions be kept fully informed in advance on all phases of general British policy was advanced and accepted; and it was agreed that hereafter there would be no repetition of the "sword of Empire" experience, until London first received authorization from the Dominions. Strong support was thrown behind the proposal that had been advanced by the American Government for an Arms Parley at Washington among all the major Powers. Opposition to the Japanese alliance was now so formidable that England quietly dropped it out of discussion and, when the Washington Arms Conference convened, surrendered it outright.

"There was a time," declared David Lloyd George at the conclusion of this momentous Conference with the Dominions, "when Downing St. ruled the Empire. Now the Empire rules Downing St." The failure of a more forthright policy of Imperial repression which had first been attempted in Ireland had convinced even so resolute an Imperialist as the leader of the British Liberals that London dictation to the Dominions and to white Empire populations in Europe was a thing of the past. This discovery had its further consequences in another Empire Conference on economic problems in September, 1923, a third in the Autumn of 1926, and a fourth in October, 1930. At the last of these meetings, the economic independence of the Federation members, and their rapidly growing self-confidence were shown by the decision of Canada to proceed with the project of maintaining her own Minister at Washington, and by a complete disagreement over tariff proposals for the Federation.

In dealing with her newly acquired territories England had to consider the League of Nations Mandates Commission. In her relations with the older white Dominions she had recognized the pressure of change by transforming the Empire into a Federation. But in respect to her increased authority in Egypt she fell back on the old pre-war policy of Empire with the result that Egypt was speedily swept by a storm of nationalism which forced the creation of a Parliamentary Government at Alexandria.

Meantime, in the richest and oldest part of her old Empire, freed of all the restrictions and modifying circumstances that had forced change in her Empire policy, her Government inaugurated under Lloyd George in 1919 a wholesale repudiation of war-time pledges for autonomy and invoked the strategy of delay and evasion to fight off native demands for liberty and self-government. So there was born in India one of the greatest revolutions in modern times which, after an upheaval lasting the better part of a decade, was to take its place with the Chinese and Russian revolutions as a major event in world history.

11 · INDIA—A REVOLUTION IN HOMESPUN

THE great Indian Nationalist Revolution against British rule had its beginnings in the last half of the 19th Century; but only with the close of the World War were the various elements of native unrest combined in the alembic of events and forces of revolt concentrated for final explosion.

By one of those ironies which often appear in the pages of history, the preparations for this event, and the final unleashing of revolution, were attributable to those who desired neither —the English rulers of India themselves. For the historical origin of the Indian Nationalist movement was the teachings of British Liberals, who carried the message of political freedom to the swarming Asian people during the last four decades of the 19th Century after the assumption by the British Crown in 1858 of direct governmental control. Before that hour the bond which tied India to the British Empire had been the British East India Company—"John Company" in the native phrase—which had exploited English commercial interest in the vast triangular peninsula below the Himalayas ever since 1600, when the Company was chartered. More immediately, England schooled the man who became leader of the revolutionary uprisings of the second decade of the 20th Century—Mohandas K. Gandhi. For Gandhi was educated at an English University following the suggestion of British Indian authorities, who thought they discerned in him a brilliant talent which might prove useful to Imperial interests in the future.

Up to the final year of the World War India remained loyal to the British Empire. Her national feeling, though it had been

developed steadily by the Indian Nationalists since 1885 and was now a powerful force, still moved within the old circle of Imperial policy. As Gandhi had coöperated with the British in South Africa against the Boers, hoping thereby to win recognition of rights in that country for the thousands of his own race who had migrated thither, so India, during the World War, coöperated with enthusiasm in the British cause; and Gandhi again served, organizing volunteer ambulance units and hospital services, in return for pledges given by England for a larger measure of home rule once the war ended.

Why was it, then, that one year after the Armistice India began definitely to swing away from her faith in these pledges and to set her foot upon the broad highway of revolution? How did it happen that a people 300,000,000 strong, who were rigidly divided into opposing races, castes, and cults; who spoke 222 different languages and dialects; who embodied cleavages of culture, custom, and tradition centuries old—suddenly began to discover sufficient political unity to shake the British Empire to its foundations, and to force the mightiest Imperial Power known to modern times into peace negotiations with a ninety-three pound religious mystic, whose sole garb consisted of a loin cloth and shawl, whose symbol of defiance to British power was a lowly spinning wheel, whose spiritual authority gave him precedence over Princes, Parliaments and Dominions?

I

"Tomorrow, and Tomorrow, and Tomorrow"

During the war, when India's aid was sought eagerly by the British Government, the aspirations of her people for a larger measure of self-rule through widened rights of participation in the Indian Government had been officially recognized. The promises given India and accepted by her, meant something very specific to native minds. They meant generous extensions of political rights and native authority to rule. They meant real sharing of the power of decisions in the larger matters affecting India's internal destiny. Above all, they were interpreted as

meaning that the British Government was now at last prepared to admit India's standing contention that she was prepared to take over responsibilities within the Empire: they pointed to Home Rule under Dominion status, if not at once, then at least within the measurable and visible future.

But as the end of the bloody conflict neared in Europe, and as Russia dropped from the war and from the race for Empire also, Premier David Lloyd George, in London, underwent a change of views. Already legislation had been in course of preparation for the British Parliament covering reform of the Government of India; and a momentous statement of the new British policy had been made, promising India ultimate self-government to be attained by successive steps. The Montague declaration in 1917, which enunciated this policy, called for "the gradual development of self-governing institutions, with a view to the progressive realization of responsible government in India as an integral part of the British Empire". And this was the pledge which had fired Indian hopes during the final year of the war. So natives of all classes joined in common service for the British cause. Gandhi nearly worked himself to death for it, recruiting non-combatant services. India contributed 1,457,000 men, two-thirds of whom served overseas as combatants and non-combatants. She raised $200,000,000 for war expenditures, and shouldered nearly $500,000,000 of Britain's war debt. But rise of the Communist Republic in Russia filled the leader of the political coalition in the British Government with new dreams of empire. In addition to destroying Germany, England's greatest European rival in Imperialism, he saw opportunity opening to curb the influence of the historic opponent of England in Asia, Russia, which had sat for centuries like a menace above the mountain gateway into India.

So, during 1918-19, the British pushed their authority Eastward from India into Thibet, Northward into Persia, and strengthened their influence in Afghanistan. The project envisaged British control over the greater part of the trans-Caucasus. In all these regions were powerful Moslem populations as there are in India; and the practical purpose behind England's vast

Asian thrust was partly to insure safety for her extensive territories against threats of Mohammedan uprising. The Mohammedans were restless, because the defeat of the Ottoman Empire of the Turks endangered the liberties of the Caliphate at Constantinople; and the Caliphate was the center and source of the religion of Mohammed to which they adhered.

Again, extension of British authority into Egypt threatened further to impair Moslem rights; and English manœuvres looking toward control of Arabia (where the Holy City of Mecca is situated) filled the Moslems with alarm. Thus the tactics of the British disturbed the religious serenity of the Near East and Central Asia.

Russia's repulse of the British thrust in Asia was therefore not an unwelcome event to the whole Mohammedan world, especially since the Soviet Republic, with shrewd generosity, handed back to the Turks all Russian claims upon the city of Constantinople and the straits of the Bosphorus. Russian friendship for the struggling cause of the young Turkish Nationalism added to Mohammedan interest. The consequence of this was the collapse of David Lloyd George's drive throughout most of Central Asia, as a Bolshevik-stimulated native nationalism drove England back from Persia, and out of Afghanistan. While this was taking place, the slowly rising star of Kemal Pasha further spread Mohammedan opposition to England in the Near East and Egypt and the possibility of a "Holy War against the Infidels" grew stronger.

With all this ferment along her borders and within her own large centers of Mohammedan concentration in the North, India felt, at the war's end, that the time had come for specific agreement with England on the question of self-government. England's answer to this was to point to the Reform Act which was in process of enactment. But the Reforms, though they extended native rights of participation and organized the structure of Indian Administration, actually gave India nothing remotely resembling the beginnings of Home Rule. Governors of the Indian Presidencies and Provinces were to be appointed by the Crown. A "dyarchy", or dual ruling system, was to be instituted, by which the Government in the Provinces

was divided into two distinct spheres of "transferred" and "reserved" subjects. The "transferred subjects"—including education, local self-government, medical relief, sanitation, agriculture—were placed under control of the Ministers, who had, however, no right to sit with the Governor in council, and no final authority over any of their own important spheres of administrative action. The "reserved" subjects—including law and order, finance, police, jails, labor, forests, and in general all the important economic phases of the national life—were placed in the hands of Executive Councillors. Thus, as the Minister of Industries for Madras soon explained, "I am Minister of Development minus Forests; I am Minister of Industries without Factories, which are a reserved subject; I am Minister of Agriculture without irrigation; I am Minister of Industries without electricity, which is also a reserved subject, and without boilers and labor."

To add to this outline of the Reform Act, the Provincial Legislatures, or Legislative Councils, possessed no genuine authority under the act because the Governor could override them at will; they could neither discuss nor vote upon provincial contributions to the Central Government, expenditures prescribed by law, interest, sinking funds, loans, salaries and pensions for officers appointed by the British ruling authorities or salaries of Judges. They could not alter any law affecting an act of the Parliament at London; they could not deal with public debts or customs duties or the discipline or maintenance of the army, navy or air force. They could not deal with the whole budget. They could even be deprived of the right to discuss any legislation whatever, which, in the opinion of a Governor appointed by the Crown, was undesirable, while he, on the other hand, could enact any laws he desired without their consent by merely certifying them as "essential".

The same disabilities written into the provisions for the governing of the Provinces appeared in the statutes regulating the structure and functions of the Central Government under the Viceroy. Thus the Reform Act and the "Dyarchy" which it instituted, in spite of elaborate liberalizing provisions on details,

left India almost as far distant from self-government as she had been before it was enacted.

India's leaders felt that they had been betrayed as the nature of the new law became known. They had asked for something specific, with Home Rule brought into actual prospect. They received merely another indefinite postponement. And as the native reaction to this dispute grew stronger, the British army and Administration in India felt that the hour was at hand for showing what is called "a firm hand". A rigorous policy of suppression was invoked to quell disturbances and overawe the native multitudes. Agitation for freedom—which meant agitation against the British Administration and its personnel—was outlawed. The famous Rowlatt Acts were passed March 18, 1919, inaugurating an official reign of terror against native dissidents; and a campaign of mutual reprisals opened.

The strikes and hartals—public days of mourning resulting in suspensions of business—which had been proceeding with some respect for public order gave place to frenzied riotings. In districts of the Punjab martial law was proclaimed. This region had contributed 349,000 combatants to the British cause in the World War. Here at Amritsar, on April 13, 1919, a huge crowd of unarmed natives assembled to pray for India, most of them unaware that such meetings were now banned by the military. Brigadier General Dyer, the British officer in command of the District, brought up a unit of the Indian army and turned his riflemen loose upon the multitude. The soldiers fired for ten consecutive minutes into the dense mass of humanity, using 1,650 rounds of ammunition, killing 379 Indians and wounding approximately 1,200 more whom they left lying where they fell. To add to the effect of this ghastly slaughter, the General ordered all natives to crawl on their hands and knees through a specified street of the city. This was the famous "Amritsar Massacre" which touched off the fuses leading to the Indian explosion. Though General Dyer was reprimanded by two successive British Governments at London, the reprimands came too late. India was afire from end to end. Fuel was added to the flames when the British Con-

servatives met and thanked the General for his services to the Empire and presented him with a gift expressive of their approval of his actions. Such was the state of Indian opinion when, in December, 1919, the long discussed Indian Reform Act passed the Parliament at London.

When the Indian Nationalist Congress met at Amritsar, during the same month, the whole attitude of India toward England had undergone a transformation. Mahatma Gandhi came before this Congress with his program for non-coöperation and passive resistance to British rule; he left as leader of the Nationalist cause. The Nationalists pledged themselves to resign all titles and positions in the Indian civil service, to boycott all government-conducted schools, law courts, and legal practice, to boycott elections, foreign goods and above all British textiles, to resign from all positions in the army and police forces and to inaugurate a refusal to pay taxes all over the country.

Gandhi, who was responsible for this program, was already a leader of authority among India's masses. During nearly thirty years this remarkable man had been striving tenaciously for a larger measure of self-government for his people. As a young attorney fresh from study in London, he had gone to South Africa to practice among the Indian immigrants—mostly Hindus—who had migrated thither at the request of the South African authorities who wanted cheap labor. He found his people treated as an inferior and degraded race by their white overlords, banned from the courts, hustled from the trams, shoved into the gutter. His initiation into the role of agitator for freedom followed immediately. Finally he surrendered his lucrative practice—which was bringing him nearly $25,000 a year—to devote himself entirely to the lowly and the outcast; but he clung to his faith in British justice—unaware that British justice is precisely the commodity which Englishmen find it most difficult to export from home. In the ensuing years Gandhi's spiritual authority grew rapidly and upon his return to India, in 1914, he possessed an enormous following among the natives. He had believed that when abuses were pointed out to the authorities they would be at once rem-

edied. Events of 1918-19 undeceived him, and led to his formulation of the doctrine of civil disobedience among India's masses as the best weapon by which England could be forced to grant concessions. At a special session of the Congress held at Calcutta in September, 1920, the program for achievement of Home Rule by non-violent revolution was further elaborated. By this time the Mohammedans had accepted it under the influence of a rage stirred by the Allied treatment of Turkey. At the end of December, 1920, the non-coöperative campaign was in full blast throughout the country. Hindu and Moslem coöperated in carrying it through. Gandhi's vigorous arguments for social reform began to bear fruit. As Government repression became more forcible, popular outbursts of violence occurred during 1921. Finally these grew so formidable that Gandhi decided to halt the non-coöperative revolt until India was better schooled in passive tactics by which alone, he recognized, revolt had an opportunity to succeed. So, as a leader of civil disobedience, he proclaimed its suspension and announced that he would undergo penance for the violence that had occurred contrary to his teachings.

Gandhi was immediately arrested by the British authorities and thrown into jail, after one of the greatest trials in modern court annals: a trial resembling nothing so much as the trial of Socrates. The lofty idealism, the moral splendor, the personal courage, the spiritual magnetism of this singular rebel in loin cloth, so affected the trial judge that he apologized for sentencing Gandhi to prison for a six-year term. But the pressure of world opinion, and especially opinion in England, was too strong to permit the full serving of this sentence, and in 1924 the MacDonald Government released the Mahatma, who retired to Ahmedabad and went to work to prepare India for the next trial of strength.

The temporary withdrawal of their leader from public activity was followed by a five-year period of peace, during which the National Congress party went into the political field and, borrowing a leaf from Sinn Fein in Ireland, undertook to disrupt the new Provincial Legislative Councils by getting elected to them and then boycotting them. Meantime,

Gandhi was assiduously striving to reunite the Hindus and Moslems who had split once more. For this purpose he toured India with a spinning wheel, urging the development of native spinning, an end to drug and drink evils, and the acceptance of the millions of "outcasts" into normal social life of the country. In 1925 the Nationalists succeeded in tying up the Indian Legislative Assembly and again demanded native control over foreign affairs, finance, the military. When this was again refused they held up appropriation bills and forced the Governor General to invoke dictatorial powers to get through pay bills.

In 1927 the Nationalist campaign burst upon India with greater intensity than ever; and the British Government decided to take steps to appease native agitation. The Reform Act of 1919 had provided that, after ten years of operation, the new laws would be studied by a Commission which would report on further reforms. Although but eight years had elapsed, it was felt that such a Commission, sent to India immediately, would have a beneficial effect; and consequently the Government at London named the Simon Commission, which was directed to make a thorough study of the whole Indian situation. But once more the ineptitude of the ruling powers in England produced an explosion in India: natives were excluded from the Commission; and the immediate consequence was a decision taken in India by all the Nationalist forces and their affiliated groups to boycott the Simon Commission when it arrived in India. Accordingly, when Sir John Simon and his associates landed, they were greeted by deserted streets and a general suspension of business. All India went into mourning to signalize its indignation at the latest rebuff given to native aspirations.

II

The Conflagration

The Indian Nationalist movement had succeeded, in 1928, in forming a new alliance among the Hindus and the Moslems throughout the vast peninsula; and the presence of the Simon

Commission added to the fervor of the agitation of both. When the Nationalist Congress assembled in December, a strong demand was formulated and served upon the British Government. If, at the expiry of one year, action looking toward definite decision about Home Rule had not been taken by England, the Congress announced that India would launch a revolution whose goal would be complete independence.

Throughout 1929 riots multiplied from Calcutta to Burma; and arrests rose into the thousands. In the Winter, the Nationalist Congress again convened. It was no longer possible to ignore the gravity of the situation. To this Congress session came delegates from all the Native Provinces and every State in British India. Indian Princes rode in on richly trapped elephants, with enormous retinues. Moslems from the North came, riding their Arab horses. Sikhs from the Northwestern border jogged elbows with representatives of Indian labor unions and agricultural associations in the South. Among this heterogeneous multitude Mahatma Gandhi, who had labored during five years to prepare for the events now opening, emerged as the great spiritual and political leader. The Nationalist cause was now his cause; and the end of English rule his goal.

The Congress executed its promise of the preceding year and issued a Declaration of Independence for India. An Executive Committee conferred with Gandhi on program, and finally commissioned him to launch the revolt when he deemed the moment suitable. England's reply was immediate. Troop ships moved through the Red Sea. Regiments were concentrated in India from all over British Asia and the Mediterranean. The Conservative press in London inquired ironically just how India proposed to get her independence, and how long the Indian Nationalists imagined Hindu mobs would stand up against disciplined troops fully armed. The Simon Commission, which had completed its investigations, was preparing its report; and London knew it would make few important recommendations for departure from the favorite British thesis of "home rule for India some time or other in the future".

On March 12, 1930, Gandhi opened his revolution. It was

the strangest revolution ever imagined. He undertook to make pilgrimage afoot with a few followers from Ahmedabad to Jalalpur on the Gulf of Cambay, there to make salt in violation of the British monopoly. Even the experienced British Indian police thought it all a huge joke; and indeed when the expedition set out it seemed likely to be one.

The revolutionaries were a small band of pilgrims. The torrid heat of the March sun sweltered on the long road before them. Smallpox decimated the ranks of the travellers before they were a week on their way. A knobbly legged mite of a man, wearing a loin cloth, had determined to tramp 150 miles under the blazing sun to the sea, there to make salt from sea water. And this was supposed to open a revolution!

Spiritual power is a curious affair. Before Gandhi had reached the goal of his purgatorial march, British officials had begun to wonder. In every village he was met by multitudes. As the destination neared he spoke to tens of thousands. Reaching the shore, a handful of his pilgrims proceeded to make a few ounces of salt. They were arrested.

That, opined the British press in London, was the end of that adventure. But it wasn't. It became speedily something else. Here and there, along the thousands of miles of the Indian coast, followers of the Gandhi idea proceeded to make salt in defiance of police authority. Gandhi remained free now because to arrest him threatened to create wholesale trouble. And the longer he remained unmolested the greater the crowds became, the more fervent their enthusiasm, the more exuberantly Indians throughout the length and breadth of the land began to extol him.

Calcutta, Madras, Lahore, seethed; Bombay underwent a transformation. On the heels of the salt attack the second step of the civil disobedience campaign was taken. Nationalist committees in every Province sprang to life. The boycott on English goods swept India like a tidal wave. Attacks upon the liquor trade, which also represented a British licensing authority, grew and multiplied. By May, India's civil disobedience campaign was flaming through the land.

The onslaughts grew more severe. Whereupon the native

women, secluded and cloistered from public appearances from time immemorial, swept aside the restraints of centuries and joined the ranks of the rebels. The police began to beat women. And still there was a steady refusal on the part of the victims to offer violent retaliation.

Then began the counter-attack. Gandhi was again arrested and thrown into jail at Poona. The effect was other than the British officialdom had expected. They thought, lacking its dynamic leader, the revolt would crumble. Instead it widened in every direction. Local leaders were arrested. Others at once appeared to carry on the struggle. They were jailed. More appeared.

In the greater cities, vast peaceful demonstrations of revolutionary adherents occurred. They were charged by police equipped with staves. They were beaten, mauled, pummeled. Many of them were killed. But they offered no resistance.

Summer came. India was a pandemonium. Surprised English correspondents cabled back to their papers the astonishing news that the warlike Sikhs, redoubtable for their pride and physical prowess and love of fighting, were joining the civil disobedience campaign in droves and sitting impassive under blows rained upon them by policemen's clubs. Moslems, whose energy and tender susceptibility to insult had been a byword in India since the Middle Ages, were quietly accepting beatings in the public streets.

Autumn came. The Round Table Conference gathered in London. No member of the Indian Nationalist Party was there. Native Princes arrived, proud in hereditary traditions. Notorious autocrats in their Princedoms, time out of mind hostile to popular government in India, they thronged St. James' Palace. Moslem leaders, moderate spokesmen—even the outcasts were represented. London glittered with jewels. Gaekwars and Maharajahs wearing coats studded with pearls, diamonds and rubies set the impoverished unemployed in London's streets agape.

The Simon report, with its meager promises of nothing important for India, had been repudiated in India, paper, glue, ink and binding. Nobody in England among the Liberals or

Conservatives imagined any considerable advance over the Simon recommendations would be necessary to satisfy the Indian delegates. Dominion status? Yes. Sometime. Now? Never! The Moslem and Hindu religious row made it "impossible". The solemn treaties which the British Crown had signed with the Indian Princes "forbade" it. The Princes could be counted on to spike any real move for Indian Home Rule in fact, because it would threaten their authority in their own domains—authority which was solemnly protected by the treaties with His Majesty.

Then, one by one the Princes rose in the Conference. While England gasped, these fabulous potentates proceeded to flay the British Government for its tactics in India, for failing to perceive that here was no squall in a teapot, for its notion that Indian Princes would set themselves in open opposition to demands which had swept India, when such opposition threatened to endanger not only their security as native sovereigns, but, in event the revolution intensified, their lives.

To the solidarity of the Princes with the rebels was added the adherence of every other native delegate in London. The upset caused by this unity of will had its first repercussion among the British Liberals. They acknowledged that the game was up. Their spokesman, Lord Reading, came forward with a generous plan for Dominion status with modifications, to be worked out at a second Conference to be held as speedily as possible in India. The Tory spokesmen hedged. One of the stars in this party, Winston Churchill, broke with the Conservative Party leader, Stanley Baldwin, Churchill demanding armed suppression of India, Baldwin saying that this wouldn't work and that some concessions must be made.

Ramsay MacDonald, Labor Premier, his Government teetering on the pit's edge because of its dependence upon Liberal support for continuance in office, borrowed the Liberal plan, softened it here and there and brought the Conference to an end with an outline proposition for a Dominion Government in India which would establish autonomy among the Provinces, a central Parliamentary regime for the Federal State under Indian control.

India, MacDonald promised, was to have a form of government which would enable Indians to take charge of their own destiny within the Empire. But not full charge—at least not immediately. Foreign policy was reserved to the Crown. The army was reserved to the Crown. Control of exchange was reserved to the Crown. Certain other fiscal policies were to be reserved to the Crown. And the Viceroy or Governor General was to have reserved to him extraordinary powers for emergencies.

The British Liberals approved. So did the overwhelming majority of the Indian delegates, who accepted MacDonald's pledge that the reserved powers would be invoked but seldom, if at all, and eventually would be surrendered, after Indian experience in Government grew. Within the structure of the plan he offered, he promised that India would work out her own destiny, gradually increasing her domestic authority until she occupied a status similar to that enjoyed by other British Dominions of today.

Would Gandhi accept this plan? That became the next question. Reaching home, the native delegates found a hostile India—hostile because of jails crammed with upward of 50,000 native leaders, hostile because of the police repression, furious over confiscation of property for non-payment of taxes, exultant in the devastating effects of their campaign on English trade and revenue.

In such an atmosphere Gandhi would not surrender to the British plea. "Until England manifests her desire for peace and coöperation by opening the jails, halting and investigating police assaults, recognizing the rights of peaceful picketing, assembly, and discussion; until she lifts her press suppressions and allows natives to make salt, the Nationalist Party refuse to have anything to do with these proposals. It will refuse to participate in any second Conference. It will continue its campaign of civil disobedience. It will continue to wreck English trade by the boycott. It will continue to demand full independence."

But he was willing to provide opportunities to the Viceroy to meet him halfway, and on the urgent plea of his friends

he wrote to say so. At first, the reception given his suggestion of a Conference was icy. Viceroy Irwin replied that he would discuss nothing until the revolutionary campaign was halted. It immediately intensified.

Roars of pain reverberated from Manchester to London as the annual trade reports from India disclosed what was happening to British exports in India. The loss was well up into the hundreds of millions. And there was no end in sight!

When Mohandas K. Gandhi stepped from the Viceregal Lodge at New Delhi, shortly after two o'clock, Wednesday morning, March 3, 1931, and set out on his solitary six-mile tramp home, barefooted, over the rain-soaked roads, under his black umbrella, History dipped her pen in rubric to record an event without parallel in her voluminous records.

The mightiest Empire in the modern world, which has boasted that the sun never sets upon her domains, had accepted defeat at the hands of a revolution without a single weapon from the elaborate arsenal of modern warfare.

To win a truce from the diminutive, bandy-legged leader of that revolt, whose garb was a homespun loin cloth, whose feet were bare, whose body was so frail and emaciated through fasting that it seemed as if a single gust of wind would blow him away, Lord Irwin, Viceroy of the Indies and spokesman for the British Crown, had agreed to release thousands of political revolutionaries from India's crowded jails; to restore some of the property seized for refusal on the part of the rebels to pay taxes; to halt any further confiscation proceedings; to permit peaceful picketing of grog shops; finally, to abandon the Government monopoly on salt-making.

And this surrender had been made in one of the palatial new buildings which, only one month previous, had been dedicated with high pomp and ceremony as headquarters of Great Britain's Asian authority. "The corrosive acid of salt," shrieked the High Tory London *Morning Post,* upon receipt of the news, "has eaten away the prestige upon which English rule in India is founded."

The pact which the leader of the Indian revolution signed with the Viceroy after long negotiations did not, how-

ever, commit the Indian National Congress to the principles laid down by the British Government at the First Round Table Conference. It provided for suspension of civil disobedience and for the participation of the Congress, through accredited representatives, in the further discussions which were to be held at London for the purpose of elaborating and further defining Federal status for India, with Indian responsibility and safeguards "in the interest of India". The revolution, Gandhi announced, was not ended; it had merely come to a pause to permit England to show what she could do by way of concessions to meet native demands.

In India, Gandhi's decision was given a mixed reception, and for some time strong tendencies toward violence were in evidence as the younger revolutionaries denounced what they deemed further delay and temporizing. Early in April Mahatma Gandhi succeeded in winning the approval of a special session of the All India Congress and full ratification of the pact. He was appointed sole delegate for the Nationalists, given plenipotentiary powers, and directed to go to the Second Round Table Conference at his discretion.

In September, 1931, the Federal Structures Committee of the new Conference assembled at London. Gandhi, whose journey from India up the Red Sea over the Mediterranean and across France to the English capital excited the attention of all Europe and America, signalized his arrival with reiteration of India's demand for independence. In speeches before the Committee of which he was a member, before groups in Parliament, in Lancashire, and on the radio, he explained that his people insisted upon the right to control their own destinies. He demanded that England "lay her cards frankly on the table". But this England's leaders carefully refrained from doing as they sought through private negotiation to win Gandhi's assent to a more moderate program. So week followed week, September passed, and October came. Efforts among the native delegations to effect solution of the issue between the Hindus and the Moslems, regarding Moslem rights and representation in the proposed Federal system, dragged on without success. England indicated her firm inten-

tion of retaining her grip on Indian finance, foreign policy, and military. As this impasse developed, Gandhi announced that he would return to India and reopen the revolution, this time prophesying that violence would intensify. The alternative was concessions to meet the demands of the Indian Congress. At the height of the election campaign in England, during the second and third weeks of October, he decided to await the results of the balloting, to see what type of government would result for England before he took final decision.

12 · FRANCE—THE PROGRESS OF A POLICY

THE French Government, under direction of M Georges Clemenceau and the war President, M Raymond Poincaré, had laid the foundations of a policy structure in the Treaty of Versailles in 1919. During 1920 and 1921 these foundations were enlarged in the Reparations postscripts added to that Treaty; and upon them were built the beginnings of a system looking toward military domination of Continental Europe by France. Between 1925 and 1928 that policy grew upon these bases, side by side with a steadily enlarging political authority for France, regardless of the endeavors of moderate French and European opinion to shift the program toward conciliation, which economic facts proclaimed as the only alternative to general European debacle.

The Third Republic had now attained a position of power in Europe comparable to that enjoyed by Napoleon at the summit of his career. In 1930, and during the first eight months of 1931, by a series of abrupt manœuvres, this new power emerged to claim hegemony over the entire Continent, disclosing its ability to transform the World Court into its agent and emphasizing the reality of its authority over the machinery of the League of Nations.

From the Western fringes of the Continent to the frontiers of Poland on the East, that policy triumphed in its political, financial, economic and military purposes. Meanwhile, the foundations of the entire European economy rocked and sideslipped from one disaster to another as this effort to effectuate and develop the program prepared by the Treaty of Versailles proceeded. The social order sagged steadily toward collapse,

and in its lower depths seethed a slowly rising unrest conjured by universal poverty, unemployment, progressive industrial disintegration, and falling standards of life. The whole pattern of economic and social fact reiterated that the past was dead, and that the only alternative to dangerous confusion lay in coöperation. But the foundations of French policy had been too firmly laid in the thesis that the past lived to provide any escape, save through the creation of an artificial scheme of things in which France should stand forth as the controlling overlord of the States of Europe, the censor of their policies, the supervisor of their economic life. The vicious circle of fears enlarged anew. With every stratagem invoked to thwart them they developed further. The resentment and fury of the German nation increased; colossal war preparations were made by the French Republic to provide security against this danger. The more extravagant these became, and the more direct the French tactics in asserting control, the stronger the opposing pressure grew. Europe, as the Autumn of 1931 opened, was headed toward a future swarming with enigmas.

I

Reconstruction, and the End of the Entente Cordiale

The Treaty of Versailles from which were to flow consequences of progressive strife in Europe together with the rise of French power had, as its primary objectives from the French point of view, the permanent reduction of Germany, the conversion of her national energies during several generations to the task of paying off the total costs of the war, the development of the great industrial interests of France at the expense of the German economy, and the extension of French influence over the machinery whereby these purposes were to be fulfilled. These were the desires which had governed the decisions of the French at the Peace Conference. Some of them were already stipulated before that Conference met, in secret Allied treaties. For the rest, M Clemenceau, in addition to being the symbol of the anxious patriotism of a proud and gravely

injured people, was also spokesman for the frightened middle class French investor; and M Poincaré, as counsel for the powerful French Steel Trust and its allied industries, represented the arrayed desires of his nation's larger industrial capitalists.

In the truly enormous tasks confronting the French people as the first post-war decade opened, these purposes with respect to Germany were kept steadily in view, though from time to time they were threatened with eclipse amid the vicissitudes of political action, or underwent readaptation to meet and outflank the advance of inexorable economic circumstance.

No nation in Europe had suffered as frightfully as France in the collision of contending Imperialisms that had desolated the Continent. She had mobilized 9,000,000 men and had lost nearly half of them as casualties. Her richest industrial departments were crippled and ruined. Her agriculture had sustained a major blow. Millions of her people had been driven from their homes to other parts of the Republic as refugees. Her national debt had risen to the realm of astronomical mathematics, while hosts of her populace, who had patriotically bought Government bonds to the limit of their life's savings, were threatened with losses which might well leave them penniless and send them plunging into the social depths.

Thus the policy of France, which sought to fetter her foe once for all and to reduce him to an indefinite financial servitude as well, was motivated by something more than desire for revenge alone. Fear and interest combined to provide the stimulus. All these impulses sought justification in a common factor of desperation: the theory of the sole guilt of Germany for the war. Even though that theory was untenable by the record; even though it had already been exposed to the gravest doubt as a consequence of the publication of documents brought to light by revolution from the Imperial Archives at Berlin, Vienna, and Petrograd, to France and her Allied associates this contention was an essential thesis. The possibility that guilt was general rather than exclusive and single; that (as the secret treaties and diplomatic correspondence from three of the five contenders disclosed) the calamity had been deliberately prepared even

to the point of devious manœuvres and carefully concocted schemes by pre-war diplomacy, could not be allowed. Such admission would have denuded the entire Peace Treaty of its pretenses of deriving from an unchallengeable premise. England, to buttress the structure when the diplomatic secrets published abroad placed it in jeopardy, had hastened to pass a law making the disclosure of any state document by any citizen punishable by heavy penalties. France resolutely deafened her ears to the discomforting evidence; and even sought at the instigation of M Poincaré (who had participated in the pre-war diplomatic forays) to forbid publication within French territory of the revelations from Berlin, Vienna and Petrograd.

Before all else the reconstruction of the devastated regions in the French Republic became a pressing necessity with the arrival of peace. On this stupendous labor the nation centered attention with resolution and superb energy. The problem of funds was met by the creation of a special budget of "recoverable payments" which was to represent part of the French bill against Germany. This was necessary because the Reparations question had been left open in the Treaty and because, furthermore, the exact indemnity figure was in slow process of calculation through a series of inter-Allied conferences which dragged on through 1920. Germany, sullen and defiant, had fallen into the hands of a group of industrial capitalists who proposed to do as little as possible toward aiding their Government in meeting the obligations forced upon it at Versailles. An invitation to Berlin to propose a figure for the Reparations bill brought nothing acceptable at the Spa Conference in the Summer of that year, though the Allies did manage to agree among themselves as to their shares in the prospective spoils. Under the Spa Agreement, France was to obtain 52% of the Reparations receipts; Great Britain was to have 22%; Italy was set down for 10% and Belgium 8%; Japan and Portugal were given .75% each. A decision by the Allies in January, 1921, to fix the bill at $56,000,000,000 paid in annuities over forty-two years to the tune of between $500,000,000 and $1,500,000,000 annually, merely served to produce consternation in all responsible financial circles in Europe and to open a

series of recriminatory quarrels with Germany which lasted till late April. The Reparations Commission then set the figure at $33,000,000,000, laid down another schedule of payments fixed at half a billion dollars a year, added to this a tax of 26% on all German exports, and announced that failure to accept the program would mean military occupation of the Ruhr region where the heaviest remaining German industries were located.

These delays meant that no funds were being paid over by Germany until the bill was imposed; and that in turn meant that France, unless she tarried in pushing reconstruction, must foot the costs herself until she could collect. The French Government did not hesitate, though the strain upon French finances was grave. Within three and one-half years following the Armistice, work was speeded by expenditures in excess of $7,000,000,000.

England had held an election immediately after the war when the fires of hate burned high. French politics passed through a similar furnace in November, 1919, with an election campaign even more bitter and furious. The result was an overwhelming defeat for the largest single party in French politics, the Socialists, who had fought for a conciliatory policy for Europe. All other parties of the political left were routed with the Socialists. A few days later, the municipal elections throughout the Republic confirmed this trend. The fevered public mind was unready for counsels of moderation; and the Bloc National, which now made its appearance with a Conservative majority of 200 in the Chamber of Deputies, assumed power which it was to continue to wield during the next five years. In January, 1920, M Clemenceau retired from the Premiership. M Alexander Millerand, a Conservative whose political genius was responsible for the organization of the Bloc National, succeeded him. Nine months later the resignation of M Paul Deschanel, President of the Republic, brought M Millerand into that office while Clemenceau, who expected the Presidency as reward and crown for his years of service, retired in an implacable rage to his cottage in the Vendee. This temporary rift in the Conservative bloc was soon mended; and though M Aristide

Briand made his way into the Cabinet and assumed the portfolio of Foreign Minister a few months later, his attempt to moderate the policies laid down by Poincaré and Millerand, who were now operating in open partnership, ended in his downfall and the accession of M Poincaré's policies to full and unchallenged authority in the Government in 1922.

While Reparations were thus in process of clarification, and reconstruction proceeded, and the solid group on the political right was directing national affairs, France was also showing signs of economic recovery. At the close of the first nine months of 1919, her imports had risen $775,000,000 in spite of the fact that the exchange value of the franc had fallen from $.19 to $.138, while the cost of living, as shown by the index of wholesale prices, stood at 357 as compared with 100 for 1913. Tax collections multiplied revenues by almost 400% over the previous year; and plans were advanced for the transition of the national railway system to a peace-time status.

This project, however, entailed drastic revision of labor's wages and working conditions and, in February, 1920, precipitated a strike of the National Federation of Railway Employees. The quarrel speedily became a fight in defense of living standards in mines, factories, and mills all over the nation. By March the tieup was complete. The social explosion alarmed the Conservative leaders of the Bloc National, who proceeded to quell the strike by calling all striking railway men to the colors and ordering them back to work as soldiers.

During the same Spring the French Government moved to restore relations with the Vatican, which had been interrupted since the anti-clerical agitation of 1904-7. The services rendered on the battlefields by thousands of clergy had modified old enmities.

France was passing through a period of business recovery similar to that enjoyed by England and other European nations at the time. But the boom was brief. On the social scene there was hatred of the new rich among the masses. Politics had fallen into discredit as one scandal followed another to a climax when graft in reconstruction contracts was denounced on the floor of the Parliament and forced to investigation. Profiteering

was rampant as prices fluctuated. Respect for authority was at low ebb. Labor was moved by "a fierce egotism" and an indisposition to work. Luxury paraded in quarters of fashion; and the only section of the population which evinced real satisfaction with life was that represented by the demobilized war veterans, whose joy at release from the long nightmare continued unabated.

Relations with England had long since begun to show signs of strain; and at several inter-Allied conferences the delegates from London and Paris quarrelled openly. When, at San Remo, the Italian delegation supported the English in an effort to halt the excesses of French policy toward Germany, only the fortunate shifting of attention to a project for looting the Turkish oil fields prevented open rupture. The French hostility toward English policy was due in part to England's belated discovery of the uses of moderation; but it was also due to the British anxiety for restoration of trade with Soviet Russia, whose Government was hated fervently by the Bloc National at Paris because of debt repudiation. Finally, with the approach of Summer, M Raymond Poincaré resigned from the Reparations Commission, openly accusing England of attempting to make the Treaty of Versailles more moderate by means of interpretations opposed to French policy.

Resumption of commercial relations between England and Russia added to the anger of the French Conservative Government, which at this moment was conducting a powerful assault upon French labor unions.

The leaders of the Bloc National, while pressing for exact fulfillment of all treaty conditions by Germany, had also begun to sense that their plans might go agley. So there was launched by French diplomacy a movement for military alliances on the Continent of Europe, to reinforce the French thesis. Through these M Poincaré, who was the directing spirit of the enterprise, proposed to develop a substitute for the English alliance which, he now saw, was doomed. At the same time the new system would provide a fresh instrument against Germany.

In August, 1920, an offensive and defensive alliance, devised in accordance with the diplomatic theories that had

produced the World War, was arranged between France and Belgium. By the middle of 1923 M Poincaré, through a shrewd system of loans and diplomacy, had created a belt of politico-military alliances which incorporated Poland, on Germany's Eastern flank, and the nations of the Little Entente, Czechoslovakia, Roumania and Jugoslavia, on her Southeastern and Southern flanks. The debts of these allies stood at $143,000,000,000; but their military forces, added to the standing army of 600,000 maintained by France, created a potential anti-German host of several millions.

This shift from political association with England, this tightening of the vise on Germany, M Aristide Briand had sought to stay at a Conference held in January, 1922, at Cannes. He was immediately thrown out of office by M Poincaré, who took the Premiership. Thereupon the French policy toward Germany grew rapidly more severe and the quarrel with England more pronounced. Events had played into the hands of the most reactionary group of the Bloc National, as a feud with England over Allied policy in the Near East intensified domestic hostility toward France's war-time Ally.

The stiffening of French policy was also due to an immediate difficulty, for all this time the budget of "recoverable expenditures" had been growing with alarming speed, while Germany's internal stress, under pressure of the Treaty terms, was impairing her financial position. Distribution of the first large payments had helped France but little since England carried away most of them to pay for costs of her army of occupation. Toward the close of 1921 the European trade boom suddenly collapsed; the French franc plunged to little more than one-third of its pre-war value; the Allies were compelled to grant Germany a partial moratorium; and a financial storm lowered over the French landscape.

II
Bedlam in the Ruhr

Exchanges between Paris and London sharpened and the quarrel over the proper method of dealing with a recalcitrant Germany grew intense. The British favored assistance for Germany to enable her to strengthen her ability to pay. The French, who had observed the growing arrogance of Germany's industrial capitalists (as they fattened on the profits of inflation and obstructed their government) insisted that Germany must be throttled. In the background a mighty struggle was in progress between French industrial trusts and their German counterparts, the former seeking to penetrate the latter so as to share in the profits of reconstruction contracts distributed by the German Government. The climax of this complicated wrangle came with the approach of Winter, 1922, when Germany announced that only a long moratorium and financial assistance would save her from bankruptcy.

M Poincaré, using Germany's failure to make certain coal and timber deliveries in full as stipulated by the Reparations agreement, caused her to be declared in default by a majority vote of the Reparations Commission over the protests of the British, who pointed out that it had already been agreed to grant Germany a moratorium. Germany had paid in all, that year, in cash and kind, 1,480,000,000 gold marks. The value of the defaulted payments was established at 24,000,000 gold marks.

Early in the new year, pursuant of his policy, M Poincaré marched 50,000 French and Belgium troops into the Ruhr and, by this action, brought to a virtual end the war-time alliance of France and England and all deliveries of Reparations by the German Government. The Ruhr invasion rapidly effected a complete paralysis of the industrial life of Germany, for this region on the Rhine was the great center of German coal, steel and iron industries and the most important industrial traffic center of the nation as well.

There now began a struggle, as furious as it was dramatic,

which continued till late in November, 1923. The French had decreed establishment of a system of "productive guarantees". This, as set forth by M Poincaré, called for control of import and export licenses in the region; exploitation of the Prussian State mines in the Ruhr basin and of the State forests in the public domain; appropriation of 60% of the capital of the German dyestuffs industry on the left bank of the Rhine. To acquire these guarantees a mission for control of German Mines and Industry was created, again over the protest of the British; customs cordons were instituted; and revenues from the public domain were seized by the French military.

Germany protested against this "breach of the Treaty". She ordered her industrialists to refuse all payments demanded of them until France evacuated the Ruhr. German public officials in the district were instructed to refuse coöperation with the French. Late in January, six of the most prominent of the German industrial capitalists of the Ruhr were arrested and fined by a French military court for refusing deliveries. All exports from the Ruhr to other parts of Germany were halted by French troops. In March, fourteen German workmen were slain and forty were injured in a fight with the occupational forces at Essen; and the French military issued orders for the arrest and expulsion of all German public officials in the Ruhr refusing collaboration. Trainloads of these exiles were shipped over the military lines into Germany, where their support was undertaken by the German Government. On May 8, the head of the German Krupp works was sentenced to fifteen years in prison by a French military court; and in July confiscation of all privately owned German mines was decreed by the French Government. This violation of rights of private property, which had long been recognized by international law as immune from seizure by warring governments, followed the lead given by the Treaty of Versailles in which the tenets of international laws on private property rights had been ignored.

When the British occupational troops refused to collaborate, the French isolated them by a military cordon and closed the German frontier of the area they occupied. Railway centers

were occupied next. The money in German bank vaults belonging to private citizens and to the Communities, States and the German Nation itself, was seized. When German railroad workers refused to operate trains for the French troops, French and Belgian railroad crews were brought in to replace them. To a German boycott on French-operated railroads, which quickly blocked the lines with freight, the French replied with sales of the freight at public auction in June. Rhine shipping was next confiscated. Half a thousand telegraph and telephone operators who refused to obey the French orders were ousted. All newspapers were rigorously censored by French army officers, the only exception being the organs of the Rhineland separatist movement which had sprung to life with French assistance and under French approval. When one of these separatist agitators was murdered at Cologne, the French decreed court martial for all who attacked separatist agitators or sympathizers in the whole Rhineland area. In September an armed separatist host assembled at Düsseldorf and in October, with the benevolent aid of the occupational forces, they captured Aachen. This action, which included the shooting of the German police by Belgian troops, brought another vigorous protest from the British Government and put an end to the separatist activities in the Belgian zone; but there was no diminution of the movement in the regions held by the French. On October 26, the Rhineland Republic was accordingly proclaimed at Coblentz and on November 12, the Palatine Republic came into existence at Speyer.

A formidable mass movement of public protest was now developing throughout the whole Rhineland among the German population. With guerilla warfare beginning, and civil uprising threatening, England once more stepped into the picture, announcing that no separatist laws would be recognized without the approval of the Allied High Commission and no separatist states would receive sanction, approval or recognition from the British Government. This announcement, following immediately upon the heels of French proclamations recognizing the separatist systems, brought France and England again into open collision. In January, the President of the Rhineland Republic

was assassinated, and as public fury grew, the whole separatist structure in that region collapsed.

In the meantime, Germany had witnessed the complete overthrow of her currency system, as the mark fell in September, 1923, to 160,000,000 to the dollar. That same month, a new Cabinet replaced the Wirth Ministry which had directed the resistance in the Ruhr from Berlin, and Herr Gustav Stresemann, a representative of the more moderate business elements in the German Republic, took the portfolio of Foreign Affairs. He issued orders ending passive resistance in the Ruhr. Germany had surrendered.

The Ruhr invasion, which was undertaken to compel Germany to provide "productive guarantees" and to meet the payments she had been forced to agree to under the Treaty of Versailles, had the unexpected result of completely destroying Germany's capacity to pay anything at all so far as cash indemnities were concerned. It had pushed her financial system into the abyss and threatened to pull the French franc after it. To halt this avalanche and devise a way of egress from the bedlam into which M Poincaré's policy had precipitated Europe, the outside nations, under lead of the United States, intervened and forced the creation of an expert Commission to study German capacity to pay, to rehabilitate German finances, and to push politics out of the picture as far as possible.

This body—the Dawes Commission—was headed by an American Army General, Mr. Charles G. Dawes, and in April, 1924, it reported its findings—just one month before France was scheduled to hold a general election. The Dawes Commission recommended reduction of the size of the annual cash payments asked of Germany; a sliding scale of annuities rising from $250,000,000 a year to $625,000,000 a year at which "standard rate" they were to continue indefinitely; a loan of $200,000,000 to rehabilitate the German financial system; revenue pledges to back up the quota payments; the creation of a Central Reparations Commission to handle these payments; and complete evacuation of the Ruhr.

So this adventure, begun as a means of coercing an enemy

cordially hated by M Poincaré and the Bloc National, forced France back into coöperation with her former Allies in an effort to set that enemy once more upon a strong financial foundation. M Poincaré had displayed tenacity, ruthlessness and force to win what he did not desire politically at all—the beginning of modification of the Reparations plan he had labored so indefatigably to develop. A situation had been created in Europe, and in France in particular, which helped to prepare the way for the fall from power of M Poincaré and the Bloc National, and with them, the President of the French Republic, M Millerand, who had aided and abetted their policy.

III

A Race with Bankruptcy

The chapter of disturbances opened for Europe by the Ruhr episode carried a plain warning of the results which would attend continued efforts to apply the Treaty of Versailles and its Reparations program rigidly to a Continent whose every energy was needed to achieve escape from continuing dislocations due to the war. That lesson now began to sink home in quarters occupied by moderate opinion.

In France, while the military victory of the Poincaré policy was hailed by the Bloc National and its conservative supporters, intervention by the Dawes Commission and the publication of that Commission's report calling for more reasonable arrangement of the whole Reparations system was hailed by a growing body of thought favoring a more conciliatory French policy. This moderate view was contested with vigor by the leaders of the Bloc National. But the leadership represented by the Bloc National had added 150,000,000,000 francs to the public debt through the Ruhr adventure; and financial and economic events were now mustering a tide against the Government. The excesses of the military during the Ruhr occupation, the civil repressions which were proceeding alike in the Ruhr against German workmen and in France against labor organizations and leaders, had begun to alienate

large sections of Frenchmen who grew alarmed about their own liberties. At the same time, the increasingly grave plight of the French finances and the national exchange created uneasiness among some of the less fanatical supporters of the Bloc National on the political "right". For these reasons, a shift had taken place in the political complexion of opinion. The parties on the "left" effected a union of Radical, Radical Socialist, Republican Socialist, French Socialist and Socialist party groups as a general election approached in May, 1924.

The Left Bloc attacked both Poincaré and his presidential ally, M Millerand, who unwisely sought to insure the continuance of the Bloc National by open campaigning on its behalf—a step which violated one of the most jealously preserved of all traditions in French politics: the neutrality of the Chief Executive in party battles. M Millerand's action, in fact, sealed the doom of the party alliance he strove to save, since it emphasized the contention of the parties of the "left" that a dictatorship in fact, whether in appearance or not, was being planned. The noisy adherence to the Bloc National of a small but turbulent Monarchist party added to the uproar; and the Left Bloc swept into power with 286 seats in the Chamber.

This victory was immediately followed by a breakdown of the Bloc National, when the Left Bloc, led by M Edouard Herriot, refused to form a Government unless and until M Millerand resigned from the Presidency, which, after days of fruitless manœuvre, he did. France had obtained her first moderate Government in a decade. The supporters of the Social Democratic idea, by formulating a compromise policy which all moderates could accept, had triumphed over powerful and repressive reaction. In June, M Gaston Domergue, a descendant of the Huguenots, was elected President of the Republic; and the Herriot Ministry turned its attention to the difficult tasks bequeathed it by the Bloc National.

In the domain of foreign affairs the march of events already indicated a course. Acting in collaboration with the British Labor Government headed by Mr. Ramsay MacDonald (which had risen to power a few months previous), M Herriot smoothed the way for the Dawes Plan on Reparations. Under

that Plan, Germany's payments were arranged on a scale reasonably close to the theoretical possibilities. As a further measure of conciliation and in keeping with the Dawes recommendations, the evacuation of the Ruhr was arranged, to be completed within one year. In spite of the violent resistance offered by the forces on the political "right" in domestic politics, recognition was extended to Soviet Russia; and a new French attitude toward the League of Nations found expression in efforts to build up the prestige and usefulness of that organization which, during the regime of the Bloc National, had been treated with cool indifference. The weaknesses of the League were due largely to the fetters that had been placed upon its activities by the Peace Treaty; more directly they derived from the fact that European diplomacy, long under reactionary control, had preferred to act through ambassadorial conferences rather than to release questions to League decision.

Prospects of a European reconstruction in politics were thus considerably brightened for a time. The question of disarmament and mutual efforts to strengthen the peace was revived at Geneva during the Autumn. Though an attempt was made to erect a plan for arbitration and mutual aid to guarantee peace in "the Geneva Protocol", this proposal failed of general adoption. Nevertheless it paved the way for a mutual peace pact between France and Germany covering the Franco-German Rhineland border, which was signed at Locarno, Switzerland, in 1925; and this, in turn, opened the path for German entrance into the League of Nations a year later. From these negotiations, M Aristide Briand, the Foreign Minister of France, began to emerge as one of the great leaders in the statesmanship of European political rehabilitation.

Progress away from the concepts of the old diplomacy embodied in the Treaty was contested bitterly by the strong remnants of the old Bloc National; but the problems involved in steadily developing financial catastrophe in France preoccupied public attention and weakened the resistance of French conservative nationalism to measures of a European appeasement which had become imperative at last by virtue of sheer self-interest.

France was entering upon a financial experience which Russia had already passed through; which had reduced Germany to utter bankruptcy; which was afflicting Hungary and Austria and Poland. The steps by which the French nation was proceeding were simple enough. An inflation, at first encouraged, developed rampant speculation in French monetary exchange; then foreign holders, speculating with quantities of this depreciated money, which they expected would one day be redeemed at its pre-war par value, lost faith in that prospect and began to dump their holdings. Speculative manœuvres, meanwhile, had instituted a money stringency in France, evoking vast floods of new paper. Next a panic invaded France and a flight of French capital abroad began. This speedily produced a collapse of the entire financial system.

The financial heritage which the Left Bloc had received from its predecessors was staggering. The franc, normally worth about $.19 before the war, had entered the post-war period in 1919 with a value shrinkage carrying it down to $.136 while living costs stood at 357 as compared with 100 for 1913. Between the accession of the Bloc National to power in 1919, and its exit in 1924, the value of the franc had depreciated to $.052 while living costs soared to 489. By 1925 the franc was down another cent and the barometer of living costs stood at 646. In 1926, as panic followed desperate domestic and foreign "unloading" and flight of French capital, the franc declined to $.028 while the living index shot up to 702.

This crisis, which rapidly developed into a race against bankruptcy, had its origins partly in the debt position in which France found herself at the war's end, partly in the progressive inflation of currency after the war under direction of the Bloc National regime, partly in the ruinous financial policy pursued by that regime based upon a distorted notion of what could be taken from Germany, and partly in the deluge of domestic bonds poured upon the French financial market by that Government between 1919 and 1923. This flood of bonds diverted surplus commercial funds away from the redemption of obligations and into the swamps of deceptive financial adventure.

French Government finances are conducted through relations with the Bank of France, a privately owned institution filling a semi-public function. As enormous budget deficits followed one upon another, the Government borrowed from the Bank; and note issues raced upward. In June, 1923, they stood at 37,689,000,000 francs; by June, 1924, they had reached 40,000,000,000; by June, 1925, they passed 43,000,000,000. The business boom provided by this inflation increased the currency shortage. So the game went. By July, 1926, the note issue stood at 55,000,000,000 francs, the franc had fallen to approximately two cents, and the treasury was empty.

To combat this disaster the Left Bloc Government turned to various expedients; and as these failed, and the franc threatened to drop further, a Committee of financial experts was hastily created and put to work. In July, 1926, this Committee reported. It recommended desperate remedies. The pre-war value of the franc was abandoned for good and it was proposed to stabilize the currency unit at some figure approximating its real exchange value in France. As preliminary to this, however, and in order to induce a return of frightened French capital gone abroad, the budget was to be balanced, further export of capital was to be forbidden, and within eighteen months 7,500,000,000 francs in new revenues would be needed.

The race with bankruptcy precipitated by the post-war policy of extravagant expenditures and financial mismanagement had proved too much for the Herriot Ministry. No ordinary Cabinet dared shoulder the burdens of the necessary reforms, with their onerous tax increases. So the Herriot regime had fallen from office in April, 1925. Two successive Governments of the Left, made up of altered political combinations, rose and fell between then and late November. There now ensued a "revolving door" period as one Government followed another into and out of office, while the Chamber of Deputies shied from tax increases. All political groupings of the Left Bloc in the Parliament swirled through disintegration and finally, in sheer desperation, a National Union Government was

created with six former Premiers representing all the major parties except the Socialists.

The program of the Committee of Experts was taken up and M Poincaré, who had once more been swept by events to the helm of state, was given the task of directing financial legislation needed to save the nation. In this role M Poincaré revealed himself at his best. Late in December, 1926, the franc was pegged at 25½ to the dollar; and eighteen months later the stabilization was accorded legal force by act of the French Parliament. Revision of taxes produced an increase in revenues exceeding 9,000,000,000 francs; the budget was at last balanced in fact; and a series of debt conversion operations broke up the formidable mass of short term maturities. In the process the French investor in Government securities was for the first time made aware that every nation involved in the war would have to pay for it, rather than Germany alone; for the new value at which the franc was stabilized meant in effect that the French Government proposed to pay its war-time domestic lenders only twenty cents on the dollar.

No sooner did France emerge from this long financial storm, than politics, subdued by danger, once more came into its own. In November, the Union Government was wrecked by the withdrawal from its ranks of the powerful Radical Socialist members who obeyed the orders of their party conference. There ensued a succession of ministries, now "right", now "left" in political color, bringing M Briand into office on the heels of M Poincaré, and finally M André Tardieu, M Poincaré's lieutenant, held the Premiership. On February 17, 1930, the Tardieu Ministry fell on a minor political quarrel, and M Camille Chautemps, a Radical, succeeded to office for five days. Thereupon M Tardieu, who had meantime patched up his fences, took office once more on February 26, and continued in power until the following December, when his Cabinet fell, owing to a banking scandal which involved members of the Government. After nearly a month of fruitless political bargaining, M Pierre Laval, a member of the Radical Government group (which, contrary to its name, is merely a party of political moderates) formed a new ministry entirely dependent

upon the parties of the "right"—the historic supporters of the policy thesis established at Versailles.

IV

The Policy Broadens Its Base

In spite of the excursions and alarums of the currency crisis, the dominant forces in the French Government had not lost sight of the goal represented by French policy in Europe. With the recessions from the earlier program for carrying that policy forward, which were represented by the Dawes Plan and, again, by the Young Plan in 1929, it became evident that the maintenance of the Treaty of Versailles in its essential features must depend rather upon the exploitation of alliances and the manœuvring of political and economic machinery that lay at hand. A growing demand all over Europe for reduction of armaments, for conciliation, and for some new arrangement of the pattern of European affairs which would rescue the nations from the morass of depression in which they were floundering, could not be ignored. Consequently it must be directed and managed. So this idea was absorbed into the policy of France with the purpose of employing it toward fulfillment of the thesis laid down in 1919 at Versailles; and the demand for security for France was made the pivotal issue in dealing with all phases of the problem.

This was possible for several reasons, one of which was the very nature of political parties in the Third Republic, another the ability and statesmanship of M Aristide Briand. Political practice in France, aided by the intensity of political feeling on a wide variety of issues, has kept the political pattern broken into many factions there, ever since the rise of the Third Republic. The various parties range from a small Royalist group seeking restoration of Monarchy and established on the extreme political "right", through slightly differing conservative groups, moderate groups, liberal groups, progressive groups and orthodox Socialists to a Communist Party on the extreme political "left".

Thus, in French politics there are Monarchists, Conservatives, Republicans, Democratic Republicans, Democrats, Left Republicans, Radical Socialists, Republican Socialists, French Socialists, Socialists, and Communists. Upon occasion many of these parties split, reform, or merge on minor issues. This, of course, multiplies the number of parties still further. Neither the Monarchists on the extreme political "right" nor their counterpart, the Communists on the extreme political "left", possess any important strength in the country or in the Chamber of Deputies. The larger grouping in French politics thus falls into three loosely held patterns: a Conservative "right" alignment, where the parties coöperate almost uniformly; a collection of center parties, in which combinations are in constant state of flux; and the Socialist Party, which represents the Social Democratic idea, usually possesses the largest number of seats, and stands aloof from all Governments save in exceptional circumstances, when it lends support though refusing to enter the Cabinet.

The upshot of this situation is indicated by the fact that France, since the institution of the Third Republic, has been governed almost uniformly through coalitions. These coalitions have with equal uniformity based upon the parties in the center, which represent a political range from moderates through strongly liberal groups. But the power of the Socialists remains such that its withdrawal is a continuous threat to the stability of left Cabinets; and consequently the ministries built upon the center parties have been obliged to depend for their tenure upon support from the political "right" groups who ask, and receive as a price, the dominant influence in the conduct of foreign policy. So long as the will of the "right" is obeyed in this respect, most French ministries endure; the moment any deviation from that program is evident, the Cabinet is thrown from office. Thus the directive control over foreign policy in France which asserted itself in the formulation of that policy in 1919, has remained fundamentally constant ever since, regardless of the rise and fall of Governments at Paris. An illustration of the process was given by the Bloc National of 1919-24. It was based upon a solid "right", plus nearly the

whole of the middle political group of parties. When the Bloc collapsed the Left Bloc emerged, which in turn was founded upon the solid center assisted by some of the more aggressive "left" radicals and by the tolerance of the great bloc of Socialist Party votes. The Socialists, adhering to their rigid policy of refusing cabinet positions unless accorded a majority of them, threw their support to the Left Bloc because thereby they could rout the "right" parties. But in questions of foreign policy, this Left Bloc managed to be slightly liberal only because a few of the less dogmatic "right" party groups permitted it. The moment any real departure from fundamental French policy was suggested, the "right" again solidified and at the same time it drew back into its influence the two or three least progressive or liberal of the center parties. These assured it a majority and immediately threatened the life of the ministry.

Such a conglomeration of parties, and the ease with which they can be shifted and recombined explains the constant mutability of French politics as it explains why the policy laid down in the Treaty of Versailles, and fixed in its courses by M Poincaré and the Bloc National, has continued. For if the center and left center parties tend to be opportunistic, more interested in trafficking for jobs than in the broader trends of domestic and foreign policy, the parties on the political "right", which represent French business, industrial capitalism, strong nationalism and conservatism generally, know their own minds at all times and consistently identify the national interest with their own advantage. The illustration is the interest of the French Steel Trust and its allied industries which sent M Poincaré into his Ruhr adventure.

For these reasons, a liberal statesman like M Aristide Briand often finds himself in the Premiership or in the Foreign Office, but his policy is handed to him from the political "right", or modified to meet rightist demands which he refuses at his peril. The illustration here is the Cannes Conference, which threw M Briand from office because the "right" groups disliked his moderation. Repeatedly, thereafter, M Briand found himself in a similar plight for the same reasons. As a consequence, the role filled by this venerable friend of European pacification

since the war resembled that of a character in Greek Tragedy. As the years passed, and the disabling facts of the Treaty of Versailles became more evident, his part was that of one whose vision outran his authority; whose impulses toward reconciliation with the one-time foe were forced into channels already dug by the influences directing French policy from the political "right"; whose skill and aptitude as a negotiator were compelled to concern themselves with the safeguarding of that policy. Divergence from it had cost him public office in 1922. When, responsive to the growing demand for European harmony, he undertook to create a plan for a federated Europe a few years later, he was compelled to build that plan in such fashion as guaranteed the predominant power of France in Europe and to except Germany from any free relationships in it that might conflict with the Versailles thesis. When Germany, again confronted by imminent disaster in 1931, sought to enlarge her economic strength through a Customs Union with Austria, M Briand was compelled by imperative commands from the political "right" to oppose that plan violently, first because the Treaty of Versailles was intended by the policy directors in France to prevent any steps toward German-Austrian union; next because one of the fundamental tenets of these policy makers was that Germany should be kept in national servitude, economic shackles, and political weakness; and finally because any move toward European unification which did not originate with France threatened the prerogatives France had established for herself in the Treaty.

Thanks to the success of the financial reforms put through by M Poincaré and the Union Ministry in 1927-28, French finance was placed upon a strong basis. The thrift and industry of the French masses speedily strengthened this foundation. Four-fifths of the national debt had been repudiated at the expense of the small bond buyers; but while this was extremely distasteful to them all they preferred it to continuance of the financial chaos of previous years and set to work to rebuild their lost savings. As the operation of the Dawes Plan proceeded, and the prospects of military adventuring for the enforcement of the Treaty lost favor and substance, the cer-

tainty grew that a smaller total for Reparations figures would have to be set. The Dawes Plan had evaded this problem of a total figure, as it also avoided any mention of the Treaty provisions in order to escape political collision with France. Any discussion of Treaty modification, M Poincaré had warned, would cause France to reject the whole Plan.

At last, when the continuing disabilities of a Europe writhing in the Versailles straitjacket indicated in late 1928 and early 1929 that Germany would soon plunge once more into the maelstrom unless action were taken to prevent it, the Young Plan was drawn up as a remedy. By this time depression and unemployment had effected a complete deflation of left-over war hatreds among most responsible quarters in Europe; and it was possible not only to fix the total Reparations bill, but to set the figures far lower than before.

During the period that had elapsed since the Dawes Plan began, Germany had continued under Allied supervision and had met her payments by borrowing from abroad. From her own economic system she was unable to produce the annuities required of her. Then, in the early Winter of 1928-29, a terrific strike in the Ruhr against efforts to force down the wage level helped to alarm foreign capital, which diminished the volume of its flow into Germany and even began to withdraw small amounts. An era of bodeful depression set in immediately, and as Germany's army of unemployed grew larger a headlong decline in production accompanied it. The Reparations clauses of the Treaty nine years after the peace, and in spite of the Dawes system, were again in danger.

As these difficulties multiplied, a new Committee of Experts, led by Mr. Owen D. Young, undertook to draw up a complete and final settlement plan for Reparations payments, and this new scheme, after considerable tinkering, went into operation early in 1930. Again the Allies faced the necessity of loaning Germany money—this time $300,000,000—to rescue her economic system and to pay themselves Reparations. The $33,000,000,000 indemnity bill of 1921 was now cut to slightly more than $8,000,000,000, present value, to be paid in fifty-eight and one-half years, during the first thirty-seven of which

reduction of annuities as compared with those made under the Dawes Plan was considerable. The functions of the Reparations Commission at Berlin were transferred to a Bank of International Settlements, created for the purpose and instituted at Basle, Switzerland. This bank was to receive German payments, credit them to the accounts of the nations receiving Reparations, and handle the transfer problem—that is, the technical operation of shifting payments made in German marks over into the monetary exchange of the receiving nations in such wise as to prevent dislocation of the latter. A further function of the bank was the encouragement of world commerce.

France accepted the Young Plan only after another ugly quarrel with England. Once more it was announced to the world that a method of working the Reparations thesis laid down by the Treaty had been devised. M Briand added to the brief flurry of reanimated hopes for peace by drawing up a memorandum looking toward the creation of a United States of Europe, which he submitted to all Governments on the Continent. But when, by his explanation and amplification of this startling and ambitious scheme, it grew clear that the European union he proposed was primarily a reorganization of political structure so managed as to effect the perpetuation of the Treaty of Versailles and its train of consequences, the earlier enthusiasm for the project waned, and shortly M Briand was tartly reminded by the spokesmen for the French political "right" that he was treading on dangerous paths which might carry him toward Treaty revision. This warning resulted from the nature of the replies he received from various European capitals, including Berlin, London and Rome. Thereupon the project for a United States of Europe was dropped into oblivion.

The disillusionment of the greater of France's war-time Allies over the burdens imposed upon Europe by the Treaty had grown to such proportions that England and Belgium now announced their intention of withdrawing their occupational troops from the occupied zones of the Rhineland before the first of January, 1930—five years earlier than the Treaty stipulated—regardless of French action. An agreement for complete Allied evacuation of these territories was forced

through on the strength of these decisions, France joining in it with the proviso that she would end occupation not later than the following June.

These details were, however, rapidly losing their importance as events began to push France and the rest of Europe toward the further discovery that the past could not be maintained in overlordship over the present save at the price of general disaster. Throughout 1930, as the world depression developed, French policy was confronted by unmistakable signs of a Continental debacle. To prepare against emergencies, the vast system of frontier defenses was hurried toward completion and the building up of the gold reserve of the Bank of France went on intensively. The multiplying maladies in the social body of Europe, which were increasing in virulence, the economic readjustments which had been delayed, the tariff walls behind which blind nationalism continued to stand at arms, the agricultural jam throughout Eastern Europe due to interference with commercial traffic lines by tariffs, and the steady increase in unemployment, brought to the fore for the first time a concerted move on the part of Italy, Hungary, Austria and Germany for a revision of the Versailles Treaty.

To this France offered immediate reply, interposing her veto sharply upon the first specific move in that direction, the Austro-German Customs Union project, which was announced to the world on March 21, 1931. The Customs Union envisaged a desperate attempt on the part of the two nations directly involved, to rescue themselves from economic and financial difficulties without further delay, pending concerted European action for economic rehabilitation. France announced that she would prevent the scheme from becoming operative under any conditions and forced its temporary suspension, first by switching the proposal into the League of Nations and finally by getting it turned over to the World Court for a legal opinion as to whether it infringed the Peace Treaties. She announced that if the court failed to support her thesis of illegality, she would invoke political vetoes to kill the project.

When news came from the Little Entente allies of France, indicating their inclination to look with favor upon customs

agreements facilitating their trade, a storm rose at Paris. M Briand strained at the bonds that tied his hands. He had been condemned, he exclaimed bitterly in the Chamber of Deputies, "to parade a smile among the nations". He had no power to offer anything at all looking toward betterment of European conditions, owing to the insistent and dominant veto of the French political "right", upon whose favor the Cabinet depended for office. How, he demanded, could Europe be saved and French policy develop affirmatively, if France continued to compel her Foreign Ministers to ask collaboration while denying him the right to offer anything in return? One week later he received a stunning political chastisement for his audacity at the hands of the political "right". He was lured into running for the Presidency, which was shortly to be vacated by M Domergue, whose term was expiring. Then he was administered an overwhelming defeat by the controllers of French foreign policy and their allies. This blow was so severe that for a time he contemplated resignation from the Foreign Ministry; but he later reconsidered and determined to stick to his impossible task. At once he turned his attention anew to projects for economic rehabilitation of the military allies of France in Eastern Europe.

Meantime the forces operating French policy speeded up their activity. Decision by the World Court on the question of the Austro-German Customs Union was still pending. To make doubly certain of its defeat, regardless of the tenor of the forthcoming decision, the forces on the political "right" at Paris levelled a financial blow at the Credit Anstalt, Austria's greatest commercial bank at Vienna and on May 11, this huge financial institution, the oldest private bank in the Austrian nation, failed for $21,000,000 due to sudden withdrawal of French credits which was accompanied by a press attack launched at Paris upon its stability.

V

The Policy in Excelsis

The hour had arrived for the opening of the major campaign of French policy; and the announcement of the projected Austro-German Customs Union had given the signal. An attack upon the Credit Anstalt at Vienna was but the opening shot. This bank controlled nearly 80% of the financing of all Austria's industries. Its connections throughout Europe, South and Central, were numerous and important. When, by sudden action taken through influential French financial centers its stability was impaired, the Austrian Government at once began frantic attempts to stave off financial catastrophe and, by direction of the Parliament, it was decided to seek a loan of $21,000,000 abroad to rescue the bank.

This development immediately precipitated a head-on collision between French policy, operating through the Bank of France, and British European policy, whose activities were expressed through the Bank of England. The French, whose immense gold reserves now provided them with tremendous financial power, offered to lend Austria the money she sought, but only on condition that Austria withdraw from the proposed Customs Union with Germany and swing into the orbit of French Continental policy. The English, who believed they saw in this and in other contemporary developments throughout Europe a determination on the part of France to obstruct any move for European economic recovery which Paris did not control, took advantage of the indignation stirred in Austria by the French terms and offered Austria a loan sufficient to restore the bank without any political conditions attached to the transaction. By this action the struggle of French policy with English policy was brought out into the open.

Indeed, the Government at Paris, with foresight of what was coming, had already begun to mobilize its money power for the fray. On April 23, 1931, the day Dr. Edouard Benes, Foreign Minister of Czechoslovakia—a French ally—made vigorous assault upon the proposed Customs Union of Austria

and Germany in a speech before the Czechoslovakian Chamber of Deputies, a loan of $50,000,000 to Czechoslovakia was concluded in the French capital. During the same month, a loan of $40,000,000 was negotiated at Paris by the Bank des Pays du Nord and the chief French manufacturer of armaments, Snyder-Creusot, for Poland. This loan, made to develop a railway line at the edge of the Polish corridor on Germany's Eastern flank, was a joint Franco-Polish enterprise which has as its objective the impairment of the commercial power of the Free City of Danzig (whose population was mostly German) through the development of the Polish port of Gdynia. The railroad would also possess strong strategic military value for Poland.

Roumania and Jugoslavia, both of which showed signs of weakening before the German bid for commercial agreements in South Europe, were next to receive attention from Paris. They, like Poland and Czechoslovakia, were bound in the cycle of French military alliances against the German nation; but their economic plight was so serious that it threatened to override politics in the interest of trade recovery. On March 11, Roumania received a $50,000,000 loan for agricultural credits and construction. This loan was arranged in Paris and most of it came from French banks. On May 8, another banking group, headed by the French, gave Jugoslavia a loan of $42,000,000 for currency stabilization and public works. Both nations hastened to turn thumbs down on the Customs Union Plan.

Such was the situation when the epic fight opened between London and Paris over Austria. French policy had reinforced its structure of Continental alliances and had thrown a wall up around the two nations involved in the Customs Union project. In dealing with Austria, it assumed the offensive against the States sponsoring revision of the economic results flowing from the Versailles Treaty, these nations having advanced into the open during the preceding two months with public demands for changes.

The English had won the first round; but the fight was merely beginning. As the shock of financial instability travelled

from the Credit Anstalt in Austria through its branches and affiliates in Europe, foreign capital took alarm in Germany and began to flee abroad. A conference of German leaders with the highest political and financial officials in England brought no prospect of assistance to Germany from that quarter; and a drastic decree of economies and new taxation was issued by the German Government. It came too late.

Germany began to totter. Meanwhile, a raid on the British pound sterling was swinging into full force at London, draining away the gold reserve of the Bank of England in an ever increasing flood. French banks were among the first to withdraw their credits; and the French press at Paris stimulated the drive with alarmist accounts of an imminent debacle of British finances. The whole financial structure of the Western world was now shaking violently. The United States, its huge investments in Germany threatened, proposed a moratorium on all debts and Reparations payments for one year. But France at once objected and held up the plan during the next two weeks to compel its adjustment to the Reparations agreements allied to the Treaty of Versailles.

The trains of financial disaster sped from Germany, where affairs were now completely snarled, to London. International conferences were hurriedly convened at Paris and London, with the Secretary of State for the United States and the Secretary of the American Treasury present. But the campaign against the English pound sterling steadily drained away the huge loans advanced to maintain the stability of British money, precipitated a political crisis which upset the British Labor Government, and brought into existence a National Government which endeavored in vain to maintain the gold standard.

As July sped the finances of the Western world were in jeopardy, France alone being the exception. When the German Reichsbank endeavored to obtain a foreign credit of $400,000,000 early that month to halt the disaster, the single strong financial center in Europe, Paris, refused to assist Germany unless the Austro-German Customs Union Plan was abandoned, unless the construction of "vest pocket" battleships by Germany (permitted her under the Peace Treaty) were halted and unless

anti-French organizations in Germany were suppressed. These political conditions were denounced in Germany as "blackmail"; but France stood firm to her policy. So no relief was forthcoming.

Thereupon the largest commercial bank in Germany closed its doors and a score of its affiliates throughout the German Republic followed suit. Germany plunged into a financial panic. Within twenty-four hours the fissures of fiscal earthquake spread into Belgium, Poland, and throughout South Europe. Stock exchanges closed down. Hungary suspended all banking operations as her financial structure careened and her industries came to a standstill. To save herself she sought a loan in the only city in Europe where money was plentiful—Paris. The loan was granted—on condition that Hungary cease all agitation for revision of the Peace Treaties, drop her political affiliations with Italy, and come into the circle of French hegemony. Count Bethlen, the Premier of Hungary during more than a decade and the chief influence in Hungarian opposition to French policy, was forced from office. Hungary obeyed orders. The French policy had achieved another triumph.

By October France was the dictator of Europe in every direction on the Continent. She had reinforced her alliances with Poland, Czechoslovakia, Jugoslavia and Roumania; she had brought Hungary under her direction; and as the British financial crisis developed, withdrawal of the Bank of England loan to Austria left Austria completely at the mercy of the financial diplomacy of Paris. England alone remained; and England was floundering in a sea of troubles as her Government endeavored desperately to retain the gold standard for the pound sterling.

Now, by way of Amsterdam, a new drive began on the British gold supply, precipitating a panic among the English themselves and inaugurating a flight from pounds to dollars in London. At the end of September, the English surrendered and the bottom fell out of the British money system. The gold standard was abandoned and the English, who had been driven to borrow from New York and Paris, had lost freedom of policy movement in Europe to the French. The gold with-

drawals made through Amsterdam turned up, a fortnight later, at the Bank of France.

The triumph was complete and devastating. The fabric of European economy was racked, and its financial vertebræ were fractured. France, pursuing her course with vigor and tenacity, had emerged victorious; and when, early in October, her leaders visited Berlin to confer with the German Chancellor, they carried with them the program of the great French industrial capitalists. German coal, chemicals, metals, airways and trans-Atlantic shipping were to be brought into mutual relations with French capitalism and industry, through an economic committee of contacts. The drive upon German economy launched by the Treaty of Versailles, continued by the Ruhr episode, now advanced another step.

Signs appeared soon, however, betokening limitations upon the sweeping victory which the thesis of 1919 had achieved through the policy of France. As the British pound sterling shrank, French bank holdings in British money dropped value by nearly 25%. Repercussions of the departure of England from the gold standard travelled across the world rapidly; Sweden and Norway quit the gold standard, and India, Denmark, Finland, Rhodesia, Portugal and Bolivia followed suit. Payments in gold were suspended by several of the largest nations in South America. The shock of all this to a limping world commerce was sharp and confusing. Simultaneously, depression began to appear definitely within the French Republic, bringing with it rapid growth of unemployment. The trade balance went from bad to worse. For the first time since the days when M Raymond Poincaré had stabilized the franc, a formidable budgetary deficit stared French politics in the face. Politics hastened to invoke mysterious processes of bookkeeping and announced, after a few weeks, that the problem had been solved: the deficit had been made up without new taxes and without seeking any new revenues. Meantime two of the largest banking institutions in Paris had begun to sag on their foundations, and had to be shored up by emergency measures.

France had now reached second position in the world with respect to gold reserves on deposit with the Bank of

France at Paris. She held slightly more than $2,300,000,000 of the total world supply of $9,000,000,000. The United States stood first, having a gold reserve approximating $5,000,000,000. Since France and the United States were the only two financially powerful nations left on the gold standard in the Western world, the question of the monetary policy of the United States with respect to Europe now preoccupied the attention of the controlling interests in Paris. Already, in the Hoover moratorium, Washington had shown that it was capable of acting on its own initiative in financial matters, and its action had angered France profoundly—so profoundly in fact that the French held up the completion of the moratorium plan several weeks and thereby seriously impaired its psychological value. Furthermore, with the passing of every month of Autumn, the Geneva Disarmament Conference date came nearer; and on the problems involved in it France and the United States stood far apart.

Premier Pierre Laval, together with a group of French financial experts, decided to visit Washington and discuss matters with President Hoover. At the same time, the Paris press opened up an attack upon the American dollar similar to the onslaught that had previously been conducted against the British pound sterling. Huge withdrawals of gold, running up as high as $20,000,000 a day, were made on New York through use of stabilized and firmly fixed French francs in the purchase of slightly depreciated dollars. Gold rolled in daily from the United States to the vaults of the Bank of France, where it was stored away against emergencies. As this process continued, a frenzy of gold hoarding overtook French investors, who contributed to the swelling volume of gold withdrawals on New York by spending their francs to purchase bars and gold coins from the United States. Between early September and the middle of October, approximately $600,000,000 gold shifted ownership in process at New York, while the gold reserves of the Bank of France mounted by billions of francs. Finally, on the eve of the arrival of the French Premier in the United States, the French banking interests sent a demand to New York for higher interest on short term accounts, threatening to

withdraw $600,000,000 immediately unless their terms were accepted.

By this time, however, the American financial interests had taken up the question of gold withdrawals and decided that a debtor nation in the position of France could only exhaust herself in trying to upset American finances which had twice the gold strength of the French. Accordingly they invited the Bank of France to withdraw its short term credits if it wished, explaining that financial judgment in the United States preferred to get rid of these short term credits. This decision was contrary to the experience of French finance during the previous months in its manœuvres throughout Europe; and while gold withdrawals from America continued, they rapidly shrank in volume and the dollar hardened in European exchange.

The drive against American money had not been made with the object of doing more than threaten its strength; as in previous undertakings of the sort, diplomacy was closely connected with the manœuvres. And French diplomacy now showed its hand when Premier Laval, arriving in New York, explained the economic strength and financial stability of France, noted the depression problems of the United States, and advanced the thesis that coöperation was essential. The cornerstone of such coöperation, he explained, was the organization of the political security of France in Europe.

The conversations between the French Premier and the American President were held in secret; but in the midst of them, Senator William E. Borah, Chairman of the powerful Foreign Relations Committee of the United States Senate, gave an interview to visiting French newspapermen in which he declared bluntly that no American Government would guarantee the security of France or any other European nation, and that Europe would have no peace until the Treaty of Versailles was altered. If it was not altered peaceably, he predicted that it would be torn up by a new European war. This declaration doomed the French plans for obtaining American support for the status of Europe as it existed under the Treaty; and by linking possibilities of further debt reductions with compensatory cuts in armament, intensified the problem of disarmament.

France did not leave this conference empty-handed, however. She obtained agreement that there would be no further American intervention looking to extension of the Hoover moratorium and that Germany must initiate any such move herself within the terms of the Young Plan. So the doctrine of the Treaty of Versailles was again established and French control over all Europe was enhanced.

13 · ITALY—THE FASCIST COROLLARY

THE Peace Conference at Paris left Italy angry and disappointed. She had been induced to cancel her alliance with the Central Powers, to abandon her neutrality of "sacred egoism" and enter the war on the Allied side by promises made in secret treaties signed at London in April, 1915. These agreements offered territorial inducements looking toward the enlargement of Italy's Colonial Empire in Africa. But Great Britain fulfilled her pledges meagerly; and France, the war being over, was even less liberally disposed toward her Southern competitor in the Mediterranean. So while French Africa enlarged as a result of the war to an area of 3,773,000 square miles with 35,000,000 population, Italy was left with a few sun-parched, arid preserves, 780,000 square miles in extent and populated by 2,000,000 inhabitants—mostly wandering desert tribes. In addition to such unwelcome results, the Italian delegates at the Conference had quarrelled with President Wilson over Italian demands in Fiume and Italia Irredenda along the Adriatic. National pride in the Italian Kingdom reacted violently to this dispute through an uprising of war veterans led by Gabriel D'Annunzio, the writer, and the occupation of Fiume.

So the Italian delegation returned home, in 1919, to receive small honor from their indignant countrymen, who felt that Italy's share of the spoils fell far short of what she was entitled to in compensation for upwards of 750,000 dead, thrice as many wounded, a $12,413,000,000 war bill, and $2,710,000,000 damages to the richest of her Northern Provinces. The Peace Treaties, declared Italy, represented a Pyrrhic Victory.

I
A House Divided

Doubt and disillusionment were prevalent earlier in Italy than anywhere else in Europe; nowhere were economic conditions more snarled. The end of the conflict had left the nation stranded. Industries were stagnant because of shortage of raw materials—especially fuel. Unemployment was enormous. A wave of dejection and weariness swashed from the Alps to Sicily.

The social confusion, into which despondent soldiers were now poured pellmell by demobilization, was matched by political turmoil. The Socialists, who had fought tenaciously against Italian entrance into the war, were in the ascendant on the surge of public dissatisfaction over the result. Five months after the signing of the Versailles Treaty, their party captured 2,000 municipalities and 157 seats in the Italian Chamber of Deputies after a furious campaign; but this victory failed to clarify the turbulent political scene, for the Popular or Catholic Party, which had been organized lately by Dom Luigi Sturzo, won 100 seats; the Liberals won 161; the Republican Socialists 16; and the Democrats 23.

A rising tide of radical extremism in the industrial North, where suffering was most intense, was the sole revelation represented in the Socialist gain of 79 Parliamentary seats. Government continued ineffectual and disorganized. One ministry quickly succeeded another. Policies fell into an inextricable tangle. Scarcely had the election ended when a general strike intensified public distress; and upon the heels of this devastating struggle followed a railway strike which tied up the transportation completely throughout the peninsula. As these troubles thronged the scene, the Chamber of Deputies reflected the angry bewilderment of the nation by engaging in a series of brawls and pitched battles in the Parliament during the Winter and Spring of 1920.

Meantime Benito Mussolini, an ex-Socialist, who had organized a movement of political direct action in the 1919 elec-

tions only to meet resounding defeat at the polls, began to create armed bands of ex-soldiers, whom he distributed about the country to engage in fisticuffs with Socialists and Communists in the name of public order. As Cabinets rose and fell, Anarchists busied themselves with raids and bombings. Communist mobs added to the clamor.

By June the ministry had fallen once more, only to be succeeded by another Government of temporizers. As a consequence of this continuing failure of Government to govern, a Communist rising in Lombardy and Piedmont overwhelmed the metallurgical industries and occupied all factories, the desperate workmen proclaiming their intention of operating Italian industry on a Bolshevik basis. No resistance was offered by the Cabinet or by the industrialists to this adventure, which petered out gradually as its instigators discovered that shortage of raw materials could not be remedied in this manner.

On December 29, D'Annunzio, the firebrand poet-dramatist who had annexed Fiume by force, closed his extraordinary foray by surrendering the city on the Adriatic to the Italian Government. Rome had managed to adjust the dispute which this affair created by negotiating a treaty with Jugoslavia, pledging Italian aid against any Monarchist restoration in Hungary.

As the Spring of 1921 advanced and the first post-war boom arrived in stricken Europe, Italy's industrial troubles began to subside. In politics, however, there was no diminution of strife. The industrial improvement, together with the failure of the Communist seizure of the factories, weakened the power of the political left with the result that the elections of May 15, 1921, returned 266 representatives of the middle class to the Parliament while the Socialist representation shrank by 36. The Fascisti, led by Mussolini, played an obstreperous role in this campaign, attacking Socialists and Communists with impartial fury. "We are not a party," explained Mussolini, "we are a movement"; but in spite of this disclaimer of political purpose, the new Parliament seated 35 members of the Fascist group.

The Italian middle class, as the election disclosed, was

drawing together, irritated and alarmed by the incessant social and political war oppressing the country. No sooner were the Fascisti seated within the Parliament than these advocates of order by violence announced themselves anti-Monarchist, and formed a pact with the Socialists which lasted four months. Till now, Mussolini had played the role of political adventurer, uncertain which way to turn, convinced only that whatever course was chosen, violence was essential. On November 6, he broke political relations, organized the National Fascist Party, and proclaimed war upon both the Socialists and the Popular Party. The brief calm of the Summer months came to an abrupt end. Riots and street battles swept North and Central Italy with redoubled intensity. Too weak to maintain order, the Government gave the Fascisti a free hand with the expectation of winning an ally. Political beatings, raids, fist fights, and murders filled the nation with din to which the Parliament contributed. The Socialists, who had repudiated their left wing associates, now undertook to obliterate these radical opponents by liberal use of clubs and pistols. Populari battled with Fascisti, and Fascisti with Populari, Socialists and Communists.

Italy was waging war on political oligarchy whose ineptitude at rule was evident month after month in disorderly drift; but amid all this quarrelling the only clearly visible trend was one of deadly weariness with a seemingly eternal civic anarchy. Early in January, 1922, the factional forays that had been steadily multiplying during the previous months, developed into pitched battles between mobs. Turin, Bologna, and Milan resounded with clashes. The Fascisti descended upon their opponents equipped with bludgeons, loaded canes, bottles of castor oil, pistols and bombs. Places of business owned by adherents of the enemy cause were wrecked. Headquarters of Populari, Socialists and Communists were devastated. Fascism proclaimed itself anti-Socialist, anti-Monarchist, anti-Catholic, anti-profiteer, anti-capitalistic, anti-democratic, and announced that the Augean stables of Italian politics must be cleansed. Groping for unity, fumbling for opportunity, its principles shifting from one quarter of the compass to another,

the movement rolled in a rising tide on its uncertain courses; and as the increasing solidarity of the middle class found an agency in this singular movement, whose followers sought order through uproar, onslaught and destruction, the ranks of the Fascisti grew stronger. The one important barrier between Mussolini and even more powerful support was his professed hostility toward the Throne. On October 22, 1922, executing an abrupt *volte face,* he swept this barrier away, proclaiming himself hereafter a fervid defender of the Monarchy.

Fascist squads were now swarming over Italy, seizing the governing agencies in towns and cities, occupying post offices, city halls, railway stations, ousting opposition by force wherever opposition appeared. On October 27, under four leaders, an army numbering upwards of 50,000 party enthusiasts assembled at Civitavecchia, North of Rome. Fascism announced its intention of adding the national capital to the list of its conquests. Powerless to resist and anxious to forestall anarchic violence, the Government ordered that no obstruction be offered to the fulfillment of the threat. Accordingly on October 28, 1922, the "march on Rome" carried the Fascist horde into the Eternal City.

The following day King Victor Emmanuel summoned Mussolini from Milan—where the Fascist chieftain was busy forming a cabinet—and on October 30, Fascism took official charge of the Italian Government.

II

Reconstruction by Violence

The political movement which had fixed its hold upon the Government of the Italian Kingdom presented no clearly defined creed of rule. It was rather a theory plus force; and while the force remained a constant, the theory itself underwent successive transformations as the leaders of Fascism boldly adapted their course to circumstance and event.

Benito Mussolini himself had been, originally, a fiery Socialist, whose violence had won him jail sentences and had

caused him to be ushered out of Switzerland by the police. At the opening of the World War he suddenly broke with his party, quit the powerful Socialist organ *Avanti* on which he worked, and joined the pro-war *Populo d'Italia* with other of the more revolutionary elements of his left associates. He was as vigorously anti-Clerical as he was anti-Monarchist. He became a direct actionist Republican and then a direct actionist anti-Republican. When, in 1919, the picturesque Fiume adventure of D'Annunzio's unofficial army stirred the Italian peninsula, Mussolini's idea of organizing aggressive nationalism was rekindled and he supported that movement. Buried without a trace in the Socialist sweep of that year's elections, he busied himself organizing *fasci di combattimento*—direct action groups—which were modeled after the organization he had created in 1915 when he expected to employ force in bloody revolt against the capitalist order. The name *fascio* he borrowed from the Latin *fasces,* which described the bundle of rods bound to an ax carried in public processions by the Lictors of ancient Rome, to symbolize the unity of public authority through a fusion of all powers in one.

Fascism in its early post-war career was a conglomeration of Socialism, Anarchism, Republicanism, and Syndicalist ideas; but parts of each of these doctrines it repudiated. By the time the movement swept into power at Rome, supported by the propertied classes, certain principles had emerged to govern Fascism's activities. Mussolini, who was the dominant personality in the movement as well as its chief law giver, had borrowed from Machiavelli the thesis that force is justified to preserve the State, that politics has nothing to do with ethics. From William James, the American philosopher, he borrowed the view that truth is variable according to the degree to which it works when attempt is made to apply it. From the Syndicalists he took the idea of superiority of passion and intuition over reason. From the same sources he adapted the concept of the inclusive State with its denial of individuality. Unlike Karl Marx, from whose theory of class war first the Social Democratic idea, and later the Communist idea were born, Mussolini, in evolving Fascist doctrine, decided that nothing is certain,

fixed, or foreordained and that the political and economic factors in society are moulded and modified by change and environment.

The conception of an all-powerful, all-embracing, mystically worshipped, all-determining State, which lies at the center of the Fascist theory, explains why the movement which it nourished denounced and assaulted all those principles of Liberalism, Socialism, and Democracy which had been developing throughout Europe during the preceding twenty centuries. For, in greater or less degree, these implied individualism and the mission of groups; Fascism recognized no individual's privilege or right to live as distinct from the State, whose central and pervading unity swallowed him. So also were explained Fascism's hostility to liberty, freedom and popular sovereignty. And since the citizenry are considered by Fascism too ignorant and too indifferent to govern properly, Mussolini's theory evolves the doctrine that a governing class, self-ordained, must do it for them, compelling them to observe "order, discipline and obedience" to the behests of their rulers, developing and imposing upon them the all-embracing State, and, at the same time, kindling their enthusiasm by vigorous efforts to recreate a national aspiration to power by revival of an atmosphere of past glories and future prospects. So, while the theory of Italian Fascism originated from a melting pot of old and new ideas, it promulgated a "national mission". This fact is the key to any understanding of the obstreperous foreign policy pursued by the Fascist Government at Rome from the moment it had fixed itself securely in the domestic saddle.

Mussolini faced an Italy tangled to bemusement in debts, taxes, unemployment, economic misfortune, spiritual dejection and bitterness. Her working classes, broken on the wheel of war, impoverished, furious against all who profited by the struggle, felt the pressure of burdensome realities. Her political machinery, fashioned after the Parliamentary pattern which England had given Europe, creaked and lagged because it lacked leaders sufficiently schooled in the tradition of Cavour and Mazzini to make it operate efficiently. Italy's post-war attempts at revolution had begun with the working class, as a conse-

quence of all-prevalent misery. They had collapsed for lack of program and because they found no base in a stagnant industrial condition, the remedy of which lay only in part within the Italian frontiers. A tremendous energy was latent in her middle classes, but it was only beginning now, after nearly four years of perplexity, to find a way forward. So when a leader appeared who seemed disposed to employ the strength and direct the gathering momentum of recovery, the Fascist revolution occurred as a diminished corollary to the Communist idea operative in Russia. There the revolutionary surge had come from the masses at the bottom of society, with a policy of direct action. In Italy the upheaval came from the middle classes, who had ignored the fact of the fundamental differences between Italian political history and those of the slower-paced England, which they had endeavored to emulate before the war, not entirely without success.

A policy of conciliation toward labor brought large numbers of workmen into the Fascist movement from the labor unions during Fascism's first year of rule. A heroic effort to balance the national budget erased nearly 2,000,000,000 lire from the expense columns. The judiciary, long padded by political patronage, was revised and speeded up to accord with Fascist ideas. Transport, which had been slowly returning to normal before the Fascist war, was also speeded up and the bureaucracy trimmed of dead wood. Finally, taxes were consolidated and reduced in number.

All this was not accomplished purely by Fascist effort or without terrific battles in the Parliament. There the new dictator of the black-shirted Fascist squads employed ruthless coercion, finally forcing through the Chamber an election reform law which provided that the party receiving the largest popular vote should have two-thirds of the parliamentary seats, the remaining third to be apportioned among the other parties in relation to their popular strength. This law, enacted November 18, 1923, spelled the end of representative Government in Italy by making legally possible a minority rule. Its enactment was accompanied by complete suppression of political liberties, freedom of the press and of public assembly. While

the dictator was hurling thunderbolts at the Parliament, the Fascist squads set to work to prepare for the coming election, sweeping up and down the country with clubs, emetics, knives, pistols and bombs, which were employed against all who dared criticize the policy of the Fascist leader.

As this campaign proceeded on the domestic scene, opportunity opened to emphasize before the world that a new portent had arisen in the international zone; and Mussolini grasped it eagerly. Four Italians on a boundary commission delegated by the Council of Ambassadors to draw the frontiers between Greece and Albania, were murdered in August, 1923, at Janina, on the Greek border. An ultimatum immediately sped from Rome to Athens. Mussolini demanded an inquiry under Italian direction by the Greek Government and an indemnity of 50,000,000 lire. Upon the refusal of Greece to accept this demand, Italian warships bombarded the island of Corfu, killing and wounding a large number of refugees from Asia Minor domiciled there, under the care of the Greek Government. Greece at once appealed to the League of Nations. Mussolini declared the affair none of the League's business. The League, too weak to face out this defiance, turned the problem over to the Council of Ambassadors; but, although some minor modifications on details resulted, Mussolini's demands prevailed, Greece paid, and the investigating commission finally reported itself unable to determine either the identity or the nationality of the murderers. Acting precipitately on an uncertain case against a potentially weaker nation economically crippled and disorganized owing to defeat at the hands of the Turks, Fascism had carried its doctrine of force into the arena of foreign affairs.

Within the Parliament the Fascisti steadily widened the gulf between themselves and all other political parties and during April, 1924, the Chamber was dissolved and new elections were called under the new election laws. A deluge of Fascist violence accompanied this campaign with the result that of about 7,500,000 votes cast, the Fascisti garnered in 4,500,000 together with 375 seats in the new Parliament. The remaining 160 seats were allotted among the remaining parties.

The excessive violence of Fascist methods brought furious denunciation from all opposition quarters. The historian, Ferrero, criticized bitterly the "strangulation" of Italy represented in Fascist tactics. A Socialist Deputy, Giocomo Matteotti, on May 30, rose in the Chamber to present the evidence he had gathered and to denounce the Fascisti. A week later Mussolini replied, praising the methods by which the Fascists had attained success and remarking that in Russia such critics would receive "a bullet in the back". He then praised Russian methods in handling critics. On June 10, Matteotti vanished. Three days later it became evident that he had been murdered, and a storm burst over Italy.

At first Mussolini wavered before the tremendous wave of hostile public opinion; when police investigations revealed that Matteotti had been kidnapped by five Fascists and that the under-secretary of the Interior and the Chief of the Fascist Government's Press Bureau were implicated, a hasty shuffling of the Cabinet followed. The director of Public Safety resigned; the five accused murderers were arrested.

The murder had fractured the plans of the black-shirt Cæsar of Fascism and had split his party. It cast a spell of distrust and disenchantment over the masses of the public who, twenty-seven months before, had acclaimed Fascism as "Italy's salvation". It mobilized all the forces of opposition in the peninsula and drove Mussolini from his program, which proposed that the Fascist movement should be guided gradually toward political moderation and purged of its more violent supporters. The ghost of Matteotti defied all attempts to lay it. When Cæsar Rossi, former director of publicity for the Fascist cause, was arrested the prisoner smuggled from jail a resounding memorandum in which he specifically accused Mussolini himself of instigating the murder. To the uproar created by this accusation Mussolini replied by inaugurating a new Fascist terror all over the country. Eight critics were beaten and arrested in Rome, five in Milan, five in Naples, two in Genoa, two in Verona and one in Turin. The plants of five newspapers were wrecked by Fascist squads. Between August 1 and October 1, 16 opposition spokesmen were murdered, 132

were fatally injured, and 172 were sent to hospitals after being severely mauled and beaten. No fewer than fifty clubs, homes and shops were devastated in the six months during which the terror held full sway.

The war veterans turned against the Government because of a terrific beating administered by the black-shirted squadsmen to mutilated soldiers. Previously, the soldiers' organizations had collaborated with Fascism, in the expectation that orderly Government would result if it were supported. One after another the Liberals in the Cabinet resigned. The pro-constitutionalists within the Fascist movement demanded that the "black militia" be disarmed and suppressed. But Mussolini's authority was vested in this quarter; and he had no intention of impairing it. While his ambitions lay with the moderates, his power depended upon support from twenty provincial party bosses, each of whom was enthroned as a local dictator in his own domain. So the leader of Fascism hesitated no longer. "Idealism," he declared, "is a fraud, a myth; violence is not immoral. It is conservative, highly moral and necessary. Fascism has already passed and if necessary will pass again over the more or less decomposed body of the goddess of liberty."

While the squads of Fascisti were beating Italy into submission, the dictator turned his attention abruptly to the parliamentary opposition. Following the murder of Matteotti, the opposition had withdrawn from the Parliament in protest against the crime, and had formed an organization which took its name from the Aventine hill where the dissidents assembled. To combat this move, Mussolini pushed through the Chamber of Deputies—which the Fascisti now controlled easily—a batch of new laws of repression, outlawing press criticism of the regime, banning all secret meetings and societies, and prohibiting all meetings or organizations politically hostile to his regime. The King, dominated by the dictator, crowned this procedure by issuing royal pardons to those involved in acts of violence against anti-Fascisti throughout Italy.

The withdrawal of the opposition parties was thus made ineffectual by being denied public attention, and in January,

1926, Mussolini announced that the secessionists might return to the Parliament only after proving their adherence to the Fascist cause and doctrine.

So Parliamentary Government drew toward an end in Italy, and the Fascisti pressed energetically forward with their plans for the reorganization of the State. By mid-May, 1928, they had completed their program and a grist of laws was enacted establishing a single electoral district for the entire country, banning all parties from participation in national elections save their own, forbidding the offering of any list of candidates other than that drawn up by Fascism and approved by the Fascist Grand Council. The voters, under this new electoral statute, were permitted to approve or disapprove of the local list in its entirety. If approved, those named on it were elected; if not approved, another Fascist-drawn list would be offered. Inasmuch as a negative vote at the polls where Fascist "observers" were numerous, invited immediate violence, the election on March 24, 1929, resulted in 8,519,559 votes for the Fascisti out of a total of 8,663,412 votes deposited. Italy was done with democracy.

By a series of decrees between 1925 and 1929, the centralization of power in the hands of the Fascist Government was completed. As opposition was being stamped out in the national legislature, and in the elections, so also it was erased in local governments throughout the country. A system of direct rule was substituted, through the creation of Podestas, or local government bosses, who in turn were made responsible to the regional boss. These in turn drew their authority from the center at Rome. Critics of the regime not only at home but abroad as well were proclaimed liable to confiscation of their property in Italy. Hundreds of anti-Fascisti were herded into exile on the volcanic isles off Sicily, where they became prisoners of state under military supervision day and night. To insure control of the courts a Special Tribunal was instituted for defense of the State, from which there could be no appeal and in which the military authorities of the Fascisti sat as judges. No organization of any sort was legal in Italy save with the approval and consent of the Government. A militia

of nearly 300,000 men, all members of the Fascist Party, was developed apart from the regular army as a mainstay of Fascism's domestic power. This body was endowed with the functions of a military-political police.

The economic reconstruction of Italy, which was already getting slowly under way before the advent of Fascism to power, was hurried along to the accompaniment of political changes. In November, 1925, Fascist Labor Organizations were accorded the exclusive right to represent labor interests in the nation; all others were outlawed. The following year the Fascist Syndicates came into being. On April 21, 1927, a Charter of Labor was promulgated which organized all forces of labor—intellectual, technical, manual, agricultural, into the body of the new Corporate State. These syndicates represented Industry, Agriculture, Commerce, Transportation and Inland Navigation, Banking, Air and Sea Transport, Professions and Artists. In 1930 a national council of corporations was added to coördinate the system. The economic structure was tied into the political system by an arrangement which provided that the nomination of eight-tenths of the candidates for any election was entrusted to the thirteen national Confederations of Fascist Syndicates.

III
Dreams of Empire

The Fascist movement in Italy had derived strength at the outset from its strenuous assertions of the destiny of the Italian nation in Europe. Dissatisfaction with the results of the Versailles Treaty did not flow merely from wounded national pride. Italy's concentrated population, her lack of natural resources, her economic dependence upon the outside world, all pointed to the desirability of enlarging her colonial holdings and enhancing her commercial activity. Accordingly Mussolini adopted courses leading toward these ends. He set to work with energy to effect Italian penetration of the Balkan corridor that he might win access to the oldest trade route in Southern Europe; and he established pressure upon France in

Africa to win larger concessions of territory there. At the same time, he developed the military, naval and air forces of the Fascist state at breakneck speed.

On every one of these major phases of policy Italy found herself in immediate opposition to the policy of her Northern neighbor. The clash began in Albania. That small nation across the Adriatic on the coast which Italy had viewed as a desirable addition to her domains, had resisted successfully attempts of Italian arms to subdue her and in 1920, with Italian approval, was proclaimed a Republic. When, in 1926, France made a military alliance with Jugoslavia (lying along Albania's Northern and Eastern flanks) to block Italian penetration in that quarter, Mussolini negotiated the Treaty of Tirana with Albania—November, 1927. By the terms of this treaty, Albania became an Italian protectorate in fact. The treaty opened a furious quarrel between Albania and Jugoslavia without any important results save the embittering of their mutual relations. Then Mussolini moved to the rear of Jugoslavia, established closer relations with Bulgaria, and flirted with Roumania, a French ally.

This contest proceeded without interruption year after year. While the French blocked the move in Roumania, the Italian alliance with Bulgaria was sealed through a royal marriage, in 1930, which linked the Bulgarian and Italian dynasties. During the same year, Italy's policy was active in the movement for revision of the Peace Treaties throughout South and Central Europe. But again, an ascendant French policy broke the attack.

In Africa Italy had been a belated arrival on the highway of Imperial conquest during the 19th Century. The seizure by France of Tunis, in 1881, had been one of the contributing causes which sent Italy into alliance with Germany and Austria before the World War. For Italy had long coveted Tunis. As France had blocked her in North Africa, Italy had turned elsewhere—only to find France once more standing across the road. These were the historic causes behind Italy's bitter disappointment in the Peace Treaties of 1919, for by them her claims were conceded but little satisfaction.

The advent of Fascism at Rome at once reopened this old contention. Population and subsistence demands, coupled with lack of resources, sharpened the issue. In 1923 Mussolini announced that border concessions made by France to Italy in Libya were insufficient and that Italy would press for satisfaction. France steadily refused to part with more territory. In Tunis, where the French exercised control, attempts to hasten the absorption of the large Italian population to French nationality precipitated a heated colloquy; provoked an announcement from Rome that Italian born remained Italian nationalists regardless of the laws enacted by any country affecting them; and brought a visit by an Italian warship at the port. This was followed by another set of demands from Rome. Once more the French Government met the move with rejection.

A third zone of dispute was Abyssinia, which Italy had vainly attempted in 1896 to conquer. Mussolini's first move in this quarter came in 1924, when he entered into agreement with Great Britain, who also had interests involved in that part of the dark Continent. The upshot was a scheme by which these two European partners decided to carve up the independent Kingdom of Abyssinia into spheres of influence; but the Abyssinian King, Ras Tafari, checkmated the manœuvre by making a public appeal to the League of Nations in 1926, exposing the deal. France at once rushed to his support with vigorous protests. Italy then shifted tactics and in 1928 negotiated a traffic route agreement with Abyssinia which dealt a stunning blow to French interests at the port of Djibouti. The traffic line, when finished, was designed to drain the main trade stream of the inland area away from the French zone to a port held under Italian authority. By this time the King of Abyssinia decided that the dangers of solitary independence were multiplying too fast, so he decided to take his country formally into the League of Nations to safeguard its sovereignty against European rapacity.

The endless diplomatic thrusts and parries between Italy and France in the Balkans, in North Africa and in East Africa, eventually invaded Asia Minor also, where the French Syrian

mandate was viewed by Fascist Rome with envious eyes. Turkey, under her new Nationalist dictator, looked with dislike upon both French and Italian ambitions; but when the clash between them became manifest, Kemal Pasha skillfully undertook to play off one against the other.

As early as 1926, when the Government at Paris entered into military alliance with Jugoslavia, the dangerous contest between Italy and France expressed itself in the customary fashion in the domains of military and naval affairs. Italy's ruler laid down an elaborate program for the militarization of the entire manhood of the nation, beginning with the school children. With resounding speeches he summoned the Italian people to prepare for the "inevitable war", accompanying the demand with thinly veiled references to his Northern opponent in the struggle for Mediterranean power. Between 1928 and the convening of the London Naval Conference in January, 1930, Italy appropriated vast sums for naval construction, attempting to lay down ton for ton against the French. Military aviation swelled to great proportions in the Italian peninsula. Fortifications and military roads leading toward the Northern frontiers and the Alpine passes were pushed industriously. When, at the London Conference, France flatly rejected the Italian demand for acceptance of the principle of naval parity for the two nations, Italy countered by refusing to admit French contentions and neither nation signed the treaty. The armaments race waxed fast and furious.

While this Imperialistic feud over advantage in the Mediterranean basin was developing along the familiar lines of the pre-war diplomacy and tactics, another important question had been thrown open in Italy. In 1926 Mussolini, desiring to consolidate the strength of his regime at home, turned attention to the long-standing quarrel between the Italian Kingdom and the Vatican. To inaugurate discussion, he let loose speculation in the government controlled press as to whether the "Roman Question" could not be settled. Next, to create a favorable atmosphere he restored religious teaching in the public schools, increased the salaries of the clergy, and made other concessions to the Church.

The "Roman Question" had arisen to plague Italy as a result of the revolutionary struggle of 1870 when the Italian states sought unification of the country. In the process of making a united Italy, the Papal States, which the Supreme Pontiff of the Roman Catholic Church had held as symbols of the temporal power of the Church, were forcibly detached from his control and added to the new nation. The Papal States, together with the city of Rome itself, thus shifted allegiance. The Temporal Power vanished, excepting at the Vatican itself and in a few acres adjacent including the famous cathedral of St. Peter's. The Pope, in protest, rejected a proffered financial settlement, and became a voluntary prisoner in the Vatican; and his successors to the Chair of Peter continued that policy without exception.

During 1928 Mussolini moved actively to press for an adjustment of this old dispute. After long and delicate negotiations, the Lateran Treaty was signed February 11, 1929. Three pacts created the State of the Vatican City under sovereignty of the Pope, and abrogated all Italian laws within it; recognized Catholicism as the State religion of Italy; and settled by an indemnity payment amounting to $91,875,000 the financial claims of the Papacy resulting from the fall of the Temporal Power in 1870.

The settlement of the "Roman Question" rebounded tremendously to the advantage of the Fascist regime, enhancing its strength within Italy and its prestige in the outside world. Although the Lateran accords did not prevent an acrimonious sequence of quarrels between the Fascist dictator and the Pope during 1930 and 1931, over control of education of Italian youth, the settlement nevertheless weathered this storm for the time being. The inherent opposition, between the doctrine of Fascism—which denied individual liberty and exalted the all-inclusive State—and the doctrines of the Church—which maintained freedom of will and conscience and opposed the all-encompassing State—remained unadjusted.

As the effects of the world depression invaded Italy the Fascist regime began to find itself sore beset in the realm of economics. Much of the improvement that had taken place in

Italy in the post-war period, and for which Fascism claimed exclusive credit, had been in fact due to the normal processes of fundamental economic recovery. The Fascist Government had merely assisted them in some cases and speeded them in others. The return to the gold standard, which occurred in December, 1927, had pegged the lira nineteen to the dollar, with the backing of $125,000,000 in foreign credits. As 1928-29 passed, it grew clear that this stabilization was proving a serious handicap to Italian industry. France, Italy's greatest European commercial competitor, had pegged the franc at slightly under four cents, whereas Italy's lira, which had corresponded closely to the franc in pre-war value, was fixed by the stabilization decree at slightly above five cents. Consequently France had an enormous competitive advantage over Italy in trade; and the effects of high money in Italy were reflected in a slowly growing industrial snarl.

Taxation became steadily heavier. In 1928 it consumed 27% of the entire national wealth; by 1930 it was absorbing 30% at a time when 27% of all government expenditures were being poured into war preparations. Though commercial agreements were hammered out with Russia, the difficulties on the home scene grew. Fascism entered its ninth year with a huge deficit in the budget, a pandemonium of bankruptcies, a 20% loss in foreign trade and 600,000 unemployed. All this trouble found voice in a notable increase in domestic unrest, as the population, hard pressed by multiplying problems, stirred resentfully against the Government. Anti-Fascism once more raised its head in Italy; and a new campaign of suppression was launched to combat it. Early in 1931, scores of arrests, and a series of bombings startled the country. Mussolini, sensing the meaning of the undercurrent among the masses, then began to swing Fascism to the political left and opened an assault upon the banks.

14 · GERMANY—THE HISTORY OF A PENANCE

THE path of aggressive Imperialism on which the German Empire set foot in 1914 had led her into the swamps of defeat; her ruling dynasty had collapsed in the revolutionary consequences of its own folly; and her Peace delegates had returned to Berlin from Versailles in June, 1919, bearing with them copies of a Treaty which not only destroyed her Empire and shrank her national boundaries in Europe; but also stripped her economic structure of some 45% of its resources in coal, 72% of its zinc ore supplies, 57% of its lead, 65% of its iron ore, 12% of its chief agricultural products, and about 10% of its manufacturing establishments.

In addition to these losses, which crippled Germany's economy in the West and broke its back in the East, she was gyved in the fetters of an indemnity device which promised her population a condition of indefinite servitude, with violent onslaught should they resist the expiation demanded of them. This financial penalty was already staggering when it was first formulated in general terms in the Treaty, in 1919. It was not less so when, early in 1921, her bill was set at $33,000,000,000—a sum equal to nearly one-half Germany's pre-war national wealth of $75,000,000,000. To pay such a sum would have been a practical impossibility for her at the height of her Imperial power. That she could pay it after she had been denuded of great resources was a fantastic expectation, flying in the face of economic fact and human psychology alike. Even were it conceivable that the bill might be met, that possibility would presuppose a willingness on the part of her entire population to labor furiously in poverty during more

than two generations on a treadmill of production, knowing all the time that every bit of surplus value thus created would be taken from them as fast as it emerged.

Such a willing psychology was entirely absent in the vanquished nation. Defeat, humiliation and bitterness, far from uniting the country within for its difficult and complicated task of political and economic reconstruction, had split it into warring factions; and the only unity of which the nation was capable was the unity of resentment and antagonism toward the victors, especially on the score of the trickery involved in the Versailles Treaty. This animosity the Treaty had succeeded in developing to the proportions of a national obsession among powerful sections of the German people. As the years crept by, and the struggle to perform the impossible threw Germany into one crisis after another, disrupting her morale and placing a premium upon evasion, helping finally to drag all Europe into a financial and economic bog, the moderation which, by infinite pains, the statesmanship of Gustav Stresemann brought into being as motive force in national policy, collapsed again into political strife and social war.

So the German Republic, forced along by the troubles in which its population was involved and by the psychology of resistance engineered by the Treaty provisions, drifted gradually into the hands of a dictatorship of the political right. As it did, moderation began to disintegrate more and more rapidly, swelling the rising Communist tides on one extreme, and strengthening the sabre-rattling fanaticism of a Fascist doctrine of revenge on the other. The Treaty, whose artificers had sought to restore the past, succeeded only in generating revolutionary forces as resistance to the pressure of fact and the needs of the future began to hurry victor and vanquished alike toward stormy confusion.

I

Revolution Self-Embattled

A note written by an American President in October, 1918, had precipitated the downfall of the Hohenzollern dynasty and set in motion the forces which erupted into revolution on the 9th of the following November. By that message, from President Wilson to Prince Max, the German Imperial Chancellor, word was conveyed to the Government whose armies were already defeated in the field that no peace discussion was open to the Central Powers so long as the symbols of German autocracy retained their position. Thereupon, the political coalition of the Prussian Junkers and the German middle class big business that had controlled the Reichstag during nearly half a century broke apart. The former, discredited by military defeat of the armies in which they enjoyed monopoly of command, fell, dragging with them a feudal system of special privilege upon which their authority had rested since the Middle Ages. The latter, indifferent to the fate of Emperor, Princes, and petty monarchs, turned hastily to the political agency of the lower middle class—the Social Democratic Party and its ally, the Independent Socialists—to create an alliance through which they might control events.

The Social Democrats truly represented the attitude of the masses in Germany; and by organization in the labor unions that attitude held the dominating position. Prior to the war, this party had opposed the Junker-upper middle class coalition steadily, but without great enthusiasm and with but little permanent political effect. The Junkers, whose strongholds lay for the most part East of the Elbe, were great provincial landholders, rich, arrogant, medieval. To the very end they had maintained themselves by a hold upon their peasant populations which amounted to serfdom. Not only did they control army and navy alike; they had also arrogated to themselves all key positions to Germany's Imperial system, where their obtuseness and antiquated mentality found expression in ineptitudes of policy that helped to effect defeat of their nation and their

own downfall. Their coalition partners, the larger business interests of the Empire, had supported them in return for the right to exercise a free hand over German industry at home, and a pledge of Junker officialdom's coöperation abroad.

The rupture of the Junker-Business coalition which had existed since Bismarck's day (indeed, it was his creation) split apart the two groups whose responsibility for sweeping Germany into the war was heaviest. During the first week of November, 1918, the fall of the last bulwark of Imperial rule was signalized by a mutiny in the navy at Kiel, and seizure of all the district by rebels, who immediately set up councils of workers and sailors. By November 7, the revolution was sweeping Bavaria and other German States. On November 9, a general strike of Social Democratic and Independent Socialist labor at Berlin announced the end. The Emperor fled with his family to Holland to save his life. Friedrich Ebert, leader of the Social Democratic Party, took over the executive power from the last of the Imperial Chancellors, and issued a proclamation proclaiming the arrival of the Provisional Republic.

Thus the German revolution was the result of a military defeat which discredited the old rulers, rather than the consequences of any social upheaval of an oppressed population such as had marked the French and Russian revolutions. This fact is the key to much of Germany's troubled history in the era that opened with the November revolt. For Germany, till the very end of the war, remained the autocratic anomaly Bismarck had made her. Her masses were moderate, industrious, docile. Her one great inheritor of the Social Democratic idea of 1848, the Social Democratic Party, though its goal was a Socialist state, was moderately liberal rather than Socialistic in dominant policy. Its left wing associate, the Independent Socialist Party, alone represented the Social Democratic idea of a new society which was to be achieved gradually and by peaceful means, employing the instrumentalities available in politics as they were. But this latter party was a minority in the German labor movement when the revolution took place.

The immediate question which arose with the advent of the revolution was the question of its purpose. The Independent

Socialists demanded a consolidation of popular government and a program designed to carry forward the Social Democratic idea in government, not toward Communism, which was alien to their motivating idea, but toward a Democratic Socialist Republic. The far more powerful Social Democratic Party on the other hand—and the masses of German labor it represented—was unprepared for such a step. So it turned to the alliance offered by the surviving members of the old reactionary coalition in the German big business world. As a result, the new regime became dependent from the outset upon the fragments of the old Imperial army and upon all those groups that feared the program of the Independent Socialists; and its new allies speedily forced a crushing attack upon the Independent Socialists under Social Democratic auspices. Thus the political partners who had united to transform Germany from an Empire to a Republic became enemies. Fear of Communism hastened the organization of civil guards from among the remnants of the old officers' corps. These swore loyalty to the Republic and immediately began the liquidation of all the workers' and soldiers' councils which, composed of adherents of the majority Socialists, had insured the success of the revolutionary uprising.

The military power upon which the Social Democrats now depended for stability of the Republic was made up largely of the Republic's enemies, who were biding their time and destroying the radical political left merely in order to destroy the Social Democrats in their turn, to upset the Republic, and to usher in a restoration of Monarchy.

These purposes were aided immediately by an attempt on the part of a Communist group called the "Spartacan Alliance" to wrest control of the Republic from the Social Democrats. This strong extremist faction took its name from the leader of the revolting Roman gladiators of ancient times, and its principles from Soviet Russia. Its leader, Karl Liebknecht, had been the first German to affirm Germany's share of responsibility for precipitating the World War; and he had attacked the pretensions of the Imperial regime in underground pamphlets circulated successfully during the last years of the war in

defiance of the most elaborate efforts of the Imperial police to catch him. He signed his bulletins "Spartacus". When, in the midst of the revolutionary turmoil, the Spartacans first reached for power, they had been thwarted. In December, 1918, at the First Revolutionary Congress at Berlin, the Social Democrats pushed through a vote calling for a National Assembly, thus strengthening the prospects of a democratic Federated Republic and conclusion of a peace. The vote was overwhelming: 400—75; but the Spartacans refused to accept the verdict and, on December 30, held their own Congress at Berlin and voted war against the Republic.

The moment was well chosen. German labor had been growing steadily more alarmed as the Republic, under guidance from the Social Democrats, swung into alliance with the groups representing the old Junker officers' corps and the larger business interests. Added to this development in the political field were increasing complexities in the civil and social sectors of life. The depreciation of German money, whose basic unit was the mark, was destroying thousands of the professional middle class and hurling millions back into the ranks of the proletariat at the social bottom. The era of profiteering had continued and grown worse. Great industrial capitalists trafficked resolutely in the country's distress and began now to build vast aggregations of business into vertical trusts, while they exploited their workmen with open and ruthless cynicism. These interests, representing the defunct Junker-Business coalition, were steadily increasing their influence in the Provisional Government while the military reactionaries were creating widespread unrest even among the moderate Social Democratic rank and file.

When, therefore, a great general strike burst upon Berlin, as the unions demanded adjustment of wages to depreciated currency, the Spartacans on January 5 rose in arms, led by the Chief of the Berlin Police, and sought to destroy the Provisional Government. The city speedily became a battleground. Traffic was paralyzed. Industry came to a standstill. Machine guns rattled in public squares and avenues. Govern-

ment buildings became besieged fortresses. And support for the Spartacan cause mounted toward the 100,000 mark.

The Government of the Provisional Republic hastily appointed Gustav Noske Minister of War, and ordered him to spare no effort to quell the revolt. With powerful reinforcements drawn from wandering "free corps" of reactionary troops, Noske carried out his mission thoroughly, and by the end of another week Berlin was once more under control of the Republican regime. Liebknecht and his associate in the Spartacan Alliance, Rosa Luxembourg, were arrested; and on January 16 both were murdered by the guards assigned to conduct them to prison. Among the other German States the civil war raged sporadically during several months. In Bavaria Kurt Eisner, the Independent Socialist leader who had overthrown the Wittlesbach Monarchy and constituted an alliance of peasants, workmen, and professional classes in the interest of a democratic parliamentary Government, was assassinated by the reactionaries one month after the Berlin rising. His Government thereupon collapsed. Though the local leaders of the Social Democratic Party, aided by a few Independent Socialists, carried on the regime for another six weeks, Bavaria was threatened now by a reactionary dictatorship on one side and by a Communist dictatorship on the other. The reactionary Monarchists skillfully manœuvred their Communist foes into a coup. No sooner had the left extremists seized power and proclaimed a Communist Republic at Munich, than General Noske mustered 100,000 men from the officers' corps and the old rightist elements in the army to march upon Munich. Upon his arrival a terror was inaugurated against all Communists. The destruction of the extremists was complete and crushing. The authority of the Social Democratic Party was also reduced. Bavaria became the center of reactionary strength in Germany. As months passed this trend developed more definitely when droves of Junkers migrated from Prussia to settle in the more congenial atmosphere of Bavaria.

The last of the Spartacan forces were finally stamped out of existence by the end of April. On June 11, a sweeping victory for the Social Democratic Party and the Democrats in

the elections opened the way for the National Assembly and the formulation of a Constitution. The parties of the extreme right and extreme left were buried under an avalanche of moderate votes. On February 11, Friedrich Ebert, the ex-saddle-maker President of the Provisional regime, was chosen first President of a transitional Government that was to occupy office until Germany held her initial elections under the new Constitution. A Coalition of Social Democrats, Democrats, and Centrists took charge. Thus the German middle parties entered the Government to share authority with its creators.

The National Constituent Assembly was almost disrupted on May 7 when the first draft of the Peace Treaty appeared. Between that day and the final acceptance of the Treaty under threat of war, the Cabinet fell and a new Social Democratic-Centrist Cabinet arose to shoulder the heavy responsibility of signing the Treaty. One month later the Constitution was enacted into law.

This document, which now became the foundation of the State, set up a federated Democratic Republic as the Social Democrats desired. Universal suffrage; the enfranchisement of women; the secret ballot; proportional representation; a Cabinet composed of ministers responsible to the Reichstag; a President holding office for seven years and elected by direct popular vote (but with carefully restricted powers); a legislature consisting of a Reichstag and a National Council or Reichrat, representing the States; and a Supreme Judicial Court—were features of the new body of Government. Differing from other Republican constitutions, such as that of the United States, were several of its provisions, among them clauses which abrogated completely the whole system of the old Junker power; clauses asserting the right of the State to socialize railways, water-power, industrial enterprises and landed properties improperly used; and a series of advanced social and labor laws.

By the final week of August, 1919, the new Government was inaugurated and the Constitution went into operation. It represented the views of the political left, a fact which determined the right reactionaries to take their turn at armed revolt.

II
The War With the Right Reaction

Summer sped and Autumn came, with incessant strife and increasing misery among all groups in German society except the rich. During 1919 the Government had expended $250,000,000 on doles to the unemployed who formed an army 550,000 strong in December. The gulf widened between labor and capital to the accompaniment of turbulent strikes. The great financial and industrial interests, who now controlled strong roving brigades of the old Imperial military machine, invoked the aid of the Government to break up labor's campaign for a weekly wage adjusted to fluctuating money values. Once more the Minister of War, Herr Noske, went upon his mission with success; and Germany's industrial overlords plunged headlong into a carnival of unbitted greed.

The rising power of the German industrialists now began to challenge the Republican Government itself with tax resistance. Germany's debt had stood at $1,250,000,000 in 1914. On April 1, 1920, the Finance Minister announced that it was $53,000,000,000 plus Reparations. The interest cost on the debt equalled 25% of the national income before the war, and it exceeded the pre-war debt by $1,000,000,000 annually. The mark had fallen from its normal value of approximately $.25 to $.02; and as the Government struggled against internal disorder and external threats it became evident that drastic increases in taxation were necessary.

This at once infuriated the industrialists and their pre-revolutionary allies, the Junkers. Throughout the war these two groups, acting in concert, had prevented all attempts to pay the costs of the conflict by direct taxation and had compelled the Imperial regime to meet expenses by floating loans. Now that the finances of the Republic were badly impaired, neither proposed to assume the burdens of fiscal reconstruction and stabilization. While the arrogance of the industrial capitalists grew, the contempt in which their old associates, the

Junkers, held the Republic kept pace. Reaction decided that the hour had arrived to reconstitute the Monarchy.

The Government of the German Republic meantime was carrying on incessant wrangles with the Allies about what had been paid on the Reparations bill and what remained to be paid. Signs of deep-seated unrest multiplied so formidably in the Reich that the Allied Premiers feared Germany was being driven to Bolshevism in spite of herself; and accordingly a new quarrel burst within the Entente Cordiale on the issue of more moderate policies.

On February 24, 1920, Mathias Erzberger, the Finance Minister of the German Republic, who had prepared a strong tax program, was forced to resign office. An attempt made upon his life by the reactionaries failed—it was to be successful a year later. Erzberger's offense was unpardonable from the point of view of the Monarchists, militarists and industrial capitalists in Germany: his fiscal program called for the raising of $6,000,000,000 by confiscatory taxes on capital to balance the budget. Accordingly he was brought to trial on charges advanced from the political right and, as the trial speedily became a test between Republicans and Monarchists, its only important result was to sharpen the animosities of both.

With the snarling of the Republic's financial policy the leaders of the right reaction quickened their plans. They were hastened by the fact that the hour approached when the Allies required Germany to meet the stipulations laid down in the Treaty governing the size of her armed forces. This meant that the roving brigades of the old Imperial armies, the tools of the Monarchists, would be disbanded. Accordingly, on March 13, the interests on the political right suddenly revolted and the Government headed by President Ebert faced complete overthrow.

The uprising was led by Prince Joachim Albrecht of Prussia; but it took its name from Dr. Wolfgang von Kapp, president of the "Fatherland Party" and leader of the Royalist cause. Von Kapp was aided by Captain Pabst, a cavalry officer who had helped to suppress the Spartacans, and by Major General Baron von Luttwitz. The rebels established secret head-

quarters twelve miles from Berlin and called into service the "Iron Brigade" led by Captain Erhardt which had also served against the Spartacans and was a part of the old Junker-led Baltic army. The revolt burst like a thunderclap at seven in the morning, when an ultimatum was served upon the Republican Government officials demanding their immediate resignation. The Social Democratic leaders and their associates fled. The counter-revolutionary army seized all government buildings and Kapp proceeded to proclaim himself Chancellor. The National Assembly, which had been serving in the interim between the framing of the Constitution and the first regular elections, was ordered dissolved. Within a few hours, the whole visible structure of the Republican Government had vanished from the capital.

In this crisis German labor acted once more with swift decision. A manifesto calling for a general strike was issued with the approval of President Ebert and all other Social Democratic leaders. Restaurants, public utilities, transportation, and all civil services came to a standstill on March 14 as troops began to muster for defense of the Republic. Within another forty-eight hours the crippling of railways, telegraphs, and telephones by the strike had halted the concentration of the Monarchist forces. As the army assembling outside Berlin to do battle against the reaction swelled rapidly, the "putsch" collapsed and its leaders fled on March 17. Yet this did not end violence and confusion in the Republic. The labor unions, whose fight to maintain living standards the Republican Government had striven to suppress, decided to continue the strike until some adjustment of wages to the falling currency was guaranteed. In the Ruhr the miners rose, organized an army of their own, and called for a Soviet Republic. The Cabinet fell before this sharp general attack from the political left. Thereupon the Social Democratic leaders, while acceding to the demands of the Socialist labor unions, on April 8, dispatched Herr Noske once more with a large part of the army for Republican defense into the Ruhr, where the miners were crushed with bloody slaughter.

The struggle of the moderate coalitionists—Social Demo-

crats, and the Catholic Center Party—to retain their grip on the Government thus carried them through to another victory over armed rebellion. The revolt of the left had been followed by a revolt of the right; and both had failed. As the air cleared, and the general elections came on June 6, it was evident that the prospects for a Monarchist restoration had gone glimmering. The Junkers, their plans frustrated, sought to ally themselves once more with the big business elements for the purpose of accomplishing at the ballot box what they had failed to achieve with army rifles: a Government of the right, devoted to the destruction of the Social Democrats. The elections settled little save the immediate question of a Hohenzollern restoration. German labor was bitter in the great industrial areas against the brutality of the Noske tactics in the Ruhr; and this feeling was manifested in a shrinkage of the strength of the Coalition of Social Democrats, Democrats, and Center, which fell from 336 to 222. The Social Democrats lost 51 seats, the Center 11, the Democrats 26, while the Independent Socialists increased their strength by 59 seats. On the other hand the parties of the reaction gained heavily, the Nationalists picking up 27 new seats and the People's Party (a big business faction) 39. While the power of the moderates sufficed to doom any further restorationist adventures for some time to come, the German Republic approached its second anniversary, with savage political factionalism still rampant.

III

Invasion and Bankruptcy

Industry expanded at dizzy speed. The disarmament of Germany proceeded under the Treaty. Living costs rose. The deficit in the Treasury of the Republic also grew: and finances went from bad to worse. On April 1, 1919, the deficit had stood at 328,000,000,000 paper marks; on June 1, 1921, it was 732,000,000,000 paper marks. The railways were losing 20,000,000,000 marks a year. The Reichsbank had 68,745,000,000 paper marks in circulation against a gold reserve of

but 1,061,636,000 marks. At the same time the great industries and their affiliated banking interests were declaring fabulous dividends from the profits of an inflation which was carrying the whole middle class to beggary and steadily forcing down the nation's living standards.

At this moment, the Inter-Allied Council at Paris reached tentative agreement at last on the Reparations bill, which they proposed to fix at $56,000,000,000 payable in annuities over a period of forty-two years, plus a tax of 12% on all German exports. The announcement created consternation in Germany. German protests brought an Allied occupation of more Rhineland territory on March 16. Thereupon the Reparations Commission, which now took over the problem of Reparations from the Allied Council, announced that Germany must pay 20,000,000,000 gold marks by May 1 (the gold mark being valued at $.254) in addition to the Reparations bill, which was now set at $33,000,000,000, plus a 26% tax on all German exports. In the quarrel between Berlin and the Allied capitals which followed during April, the German Ministry fell and a "cabinet of surrender" was again created, as in the case of the signing of the Treaty in 1919. On April 30, notes for $840,000,000 backed by German banks, were delivered, and payments in kind began in earnest. Meantime the German Government's expenditures had risen to 88,000,000,000 marks, or twice its revenues; and unemployment figures stood at 1,000,000.

The implications of the Treaty of Versailles had begun to unfold throughout Europe. Germany had but one way open to her whereby she might obtain funds badly needed for adjustment of her domestic finances—an imperative necessity if she was to pay Reparations. She must export goods in huge quantities while keeping imports at a minimum. During the brief business boom of 1920 and early in 1921, her industrialists had pocketed about $1,000,000,000 of the profits of export trade, and resisted all efforts on the part of the Government to obtain it, compelling the Government at last to buy foreign exchange at high premium. This plunged the Republic into the mire of inflation.

As the pressure for Reparations intensified, and with it the export of German-made goods grew in volume, the outside world markets faced a congestion which threatened domestic manufacturers in all of them. To halt this, governments everywhere in Europe began to rush the construction of exorbitant tariff barriers against the German deluge; and thus was inaugurated a process which was to continue and grow worse during the ensuing years. As it went on, the tariff fights waxed in fury and the walls rose steadily higher until all Europe was criss-crossed by customs barriers which crippled trade and furthered industrial and agricultural stagnation.

The Summer of 1921 witnessed no diminution of Germany's domestic unsettlement. The long-delayed peace with the United States was brought measurably nearer on August 25, when a treaty draft was signed in Berlin. A campaign of vilification against the Republic conducted by the Monarchists culminated, August 26, with the murder of Mathias Erzberger, leader of the progressive wing of the Catholic Center Party. The Social Democratic leaders in the Government employed this crime as a rallying point for all liberal elements in Germany against the reaction, whose press, meetings, and political rights were vigorously curtailed. Delegates representing 11,000,000 Social Democrats and Independent Socialists waited upon the Government and offered their services in defense of the Republic. Gustav Stresemann, long a prominent member of the moderate Monarchist faction of the People's Party, stepped forward to mend the breach that had been widening between Social Democrats and German industry since the Kapp putsch. Herr Stresemann pledged his following to support the Republic. This act, by a man hitherto a staunch Monarchist, prevented Germany from splitting definitely in the political field as events were already dividing it in the domain of economics: wealth on one side and poverty on the other.

By September, the inflation of the mark had begun to move slowly out of all control. The Government was floundering in deficits and its plight was reduplicated in every one of the German States. Taxation of staggering proportions failed to improve revenues; and the cost of living swept up as every

commodity was burdened with business taxes, direct taxes, and import duties. As the mark fell a currency shortage occurred, accompanied by further jumps in prices and wages. Labor sought desperately to keep its pay envelopes aligned with the rate of inflation, but failed. The budget for 1921 established expenditures at 87,500,000,000 marks, almost one-third of which was to pay indemnities under the Treaty. Yet the total revenues amounted to but 50,000,000,000 marks.

The Social Democratic Party, confronted by this situation, and pressed steadily by the Allies for more Reparations, now modified its social program in order to strengthen the stability of the Republic. This move weakened the appeal of the party among the masses, but it brought the moderate groups in German industry into the Government, led by Stresemann and Walter Rathenau.

Growth of extravagance as the mark fell was revealed in all directions throughout the nation. Fearful of losing their money by depreciation, the public and the municipalities were spending as fast as possible, with a resulting scandalous waste and inefficiency in nationalized and communized undertakings. By October 22, the weight of the financial crisis together with a quarrel with Poland over Silesia, and the insistence of the Allies upon rigid treaty fulfillment forced reorganization of the ministry once more, bringing the Social Democrats, the Independent Socialists, the Centrists and the Democrats into a coalition, to which the People's Party under Stresemann's leadership lent support.

Whatever hopes were centered in this realignment were soon destroyed as the mark fell to one-third of a cent, hopelessly deranging both the budget and the revenue system. German industry was now whirling along on a dance macabre of profiteering, under the ægis of Herr Hugo Stinnes, the inventor of the vertical trust, who had gathered nearly one-sixth of all Germany's major industries into combinations under his control. German labor was working furiously on the treadmill of vanishing wage values; and in December there were but 100,000 unemployed in the Republic.

With the new year the decline of the mark sped faster

in spite of successive changes of government; and the difficulties of meeting Reparations payments grew formidable. The spectacle of a financially embattled Republic filled the Monarchists with savage joy and precipitated a new deluge of vilification as a result of which in June, Walter Rathenau, one of the most intelligent and far-seeing of the moderate industrialist leaders, was assassinated. By August, the dollar was worth 2,000 marks. By December a quarrel had arisen between the German industrialists and the French over division of the spoils of inflation, bringing with it a threat of armed intervention over deliveries in kind for reconstruction work. The mark on December 15 tumbled over the edge of the precipice of ruin.

All Europe was now in febrile excitement. Cabinet meetings followed one another pellmell in London, Paris, Rome and Berlin. England quarrelled with France at a Conference held at Paris in January and the French Premier threatened to use force to wring the things which his supporters, the French industrialists, wanted from Germany. London and Paris, in their alarm over the trend of affairs within Germany, had already agreed that the Reparations bill was impossible and that $12,000,000,000 would be a wiser figure than $33,000,000,000; but the question of the proper course to be pursued divided them hopelessly. England urged joint efforts to restabilize German economy as the first step; France insisted upon immediate guarantees from Germany in the form of property seizures.

As this dispute developed more confusion, France suddenly executed her threat. Against the protests of the British member, M Poincaré caused the Reparations Commission by a majority vote to pronounce Germany in default in her deliveries of coal and timber. French finance, bolstered by the politically exploited belief that the huge Reparations bill could be paid, began to wabble; but M Poincaré, despite protests from English, American, and German quarters, forced the issue by seizure of the Ruhr—the richest as well as the only major industrial stronghold left Germany by the terms of the Versailles Treaty, the headquarters of the Stinnes, Krupp, Thyssen and other great

German Trusts. On January 9, marching men in horizon blue began the movement, their bayonets gleaming in the rain. Artillery rumbled over the cobbled streets of German towns in the Rhineland. Tanks waddled Ruhrward amid deafening racket. Troop trains raced along the Franco-German frontier. A general strike shook all German industries along the Rhine. Berlin denounced the French action as illegal and Germany seethed with rekindled fury as the Government, well aware of its inability to offer armed resistance to the French coup, launched an officially supported campaign of passive resistance against the invaders.

The mark fell steadily. Relief committees were organized throughout the German Republic to aid the population of the Ruhr with supplies, as the strike grew more intense and noncoöperative resistance to the French occupational forces intensified. But the efficient French military were not to be thwarted. So the Ruhr situation was shortly complicated by a separatist movement, launched along the Rhineland with support from the invaders. This attempt to break great territories away from the German Republic and to constitute them as separate states under French dominance, was welcomed by factions in the Palatinate who hated the Berlin regime. Simultaneously, Monarchist plots redoubled elsewhere in Germany. Bavaria, in the grip of Monarchist sympathizers, became a chaos of strife as Social Democrats, Reactionaries, and Communists were embroiled in riots and street battles.

While these quarrels grew more furious, the internal plight of the German nation was swiftly growing worse in other directions, and the Berlin Government tried a new offer to France. Germany proposed to fix the Reparations bill at $7,140,000,000, to be paid in full within eight years, two-thirds of the sum being guaranteed within four years. She offered to tie all her industries together into this plan, to stabilize her currency, and to sign with France a ninety-nine year peace treaty. Her offer was rejected by Paris.

By July the mark was down to 187,000 to the dollar, and the German Government was operating with a deficit amounting to $5,000,000 a day. Its floating debt had mounted to

twenty-five thousand billion; its expenditures were doubling each week; and its income was falling at the rate of 50% a week, failing to equal one-fiftieth of its expenditures. The entire middle class was being steadily obliterated as professional men and women, small tradesmen, and skilled labor turned in desperation to manual work to earn sufficient black bread and potatoes to keep from starving. Savings were wiped out wholesale. Food riots multiplied together with strikes as workmen found it impossible to keep pace with depreciation. While the money unit was shrinking by the hour, the industrialists had in force a system by which their workmen were paid bimonthly. Angry laborers paraded the streets with banners, shouting "We work all day long for a pound of lard". Failure of domestic purchasing power on the one hand, and lack of credit on the other, redoubled social unrest. A rot was eating its way through the whole structure of German society. In rural areas the peasantry were rising with demands for the division of landed estates, while in industrial centers the great industrialists jockeyed with public misery for profit.

On August 12, the enormous strain of this multiplying confusion sent the Berlin Cabinet crashing and brought Herr Gustav Stresemann to the portfolio of Foreign Affairs in a reconstructed ministry. The rising storm of Communism had frightened the moderates in the field of industry into decision to collaborate with the Social Democratic Party, whose leaders now saw themselves confronted with the possibility of losing both their own voting strength and the Republic to the radical left. The new Government, consisting of a coalition of Social Democrats, Centrists and representatives of the People's Party, immediately turned attention to the task of self-preservation. A measure was introduced into the Reichstag calling for a 20% confiscation of all industrial, business and landed capital in the Reich. This blow at the power of the greater industrial capitalists resulted from recognition of the fact that their tactics of operating on gold where profits were concerned, and in paper where wages were involved, had contributed heavily to the national disaster. The effects of this game were evident, for by

mid-August, 1923, some 2% of the German people owned approximately four-fifths of the nation's wealth.

The financial reforms introduced by the new Cabinet called for gold taxation, gold credit, and eventually wages on a gold basis. Proceeds of the capital levy were to be employed to stabilize the now astronomical paper mark and to wipe it out, while a new gold-supported rentenmark was invented to replace it in circulation. These domestic policies were followed shortly by a decree from Stresemann, on September 25, ending the resistance in the Ruhr immediately and unconditionally.

After nine months and ten days of bitter struggle, at a cost which included the wiping out of the financial system in the German Republic and which tumbled the nation down the slopes of political and economic chaos, the plans whereby Germany had hoped to thwart French aims were abandoned.

IV

The Road from Chaos

Surrender in the Ruhr did not spell an end to the troubles besetting Germany. French agents continued fomenting Monarchist assaults upon the Republic in Bavaria where, in November, the dissident elements rallying to General Eric von Ludendorff, former Quartermaster General of the Kaiser's armies, undertook to support a new "putsch". Adolf Hitler, an Austrian-born worshipper of the Italian Fascist methods who had made himself leader of the most violent of the reactionary Nationalists, took the lead in this move. The result was disastrous to the rebels. A rising of the Social Democratic labor unions quickly stifled the coup after a sharp skirmish; and Bavarian jails were packed with prisoners. Almost simultaneously there were riots in Prussia, an attempted Communist coup at Hamburg, rumblings in Saxony, and glowerings in Thuringia. Food riots burst upon the cities and towns of the Republic with a new fury. All Western Germany was being churned up by the separatist agitation, which by this time had grown lusty under patronage of the French occupational forces.

The Palatinate was in turmoil. One month after issuance of the order from Berlin to end resistance in the Ruhr, the Rhineland Republic was proclaimed at Coblentz. On November 12, the Palatinate Republic was announced at Speyer. These manœuvres of the Reich's enemies roused the masses in both regions; the uproar grew frantic; and the President of the Palatinate Republic was assassinated January 8, 1924. Next a huge public demonstration against the separatists took place January 12. The Allied Commissioners, now thoroughly alarmed, decreed the end of the Palatinate separatist movement on the 17th of February.

The same principles which threw Europe into the war of 1914 were again at the throttle of European affairs: greed, sinister diplomatic manœuvrings, hate, and the great god Profit. The Treaty of Versailles, at war with all important economic laws and all established tenets of human wisdom, reigned triumphant. An increasing disturbance all over the Continent indicated the failure of the Treaty to bring security. The progressive disintegration of political strength in the German Government attested that the Treaty had failed to assure useful continuance of the agency through which, alone, any attempt to apply that Treaty could be profitably made. Reparations were at a standstill; and a bankrupt Government at Berlin sufficed to indicate that "the milch cow" of Reparations had gone dry.

At the close of October, 1923, the Reichbank's paper mark circulation reached the fantastic figure of 2,496,823,000,000,000,000. By the close of the following September, this total, which already stultified mathematics, had multiplied itself 600 times to 1,520,516,653,712,271,000,000 marks. The reform of the currency inaugurated in October did not actually begin operation till a month later, when a 3,200,000,000 gold mark mortgage was clapped by the Government upon German agriculture, trade and industry to produce the gold basis needed for the new money unit. The Reichbank was reconstructed; and when the Dawes Plan became effective in October, 1924, the bank underwent another reorganization. Germany now sent out good money based upon gold to destroy bad paper currency,

on a ratio of one new Reichmark to a billion paper marks. In the readjustment of her business and industrial life thus inaugurated, belated justice overtook many of the more ruthless of the domestic exploiters of her misfortunes; and the vast Stinnes wealth—estimated at $100,000,000 early in 1925—was completely wrecked by the middle of the same Summer as credit was restrained and rationed and the fabulous paper blizzard ended.

The beginnings of financial reform within the Republic, in the Autumn of 1923, had been followed by a momentous diplomatic duel in which Washington and London manœuvred Belgium and Italian support away from M Poincaré in the Reparations Commission and won a majority verdict from that body favoring study by experts of the resources and capacity of Germany with respect to Reparations, and of means whereby the capital that had been transferred out of the Reich might be repatriated. The Dawes Committee reported early in 1924 and its famous Plan became operative in the early Autumn of that year. Violent coercion had failed to produce Reparations and its champions had been driven from their advanced point to their second line, where they now dug in hastily. Germany, defeated in the war and completely ravaged during the first half decade of the peace, had reached a plight so dangerous to Europe that her conquerors faced the necessity of working out a scheme for her rehabilitation. The alternative was a general contagion of bankruptcies.

The Dawes Plan established a new Reichbank at Berlin and a new currency, bolstered by an external gold loan of $100,000,000 supplied by the Allied and Associated Powers. Germany's annual Reparations payments were fixed; the hazards of payment transfer were assumed by her creditors; and the Plan provided a standard annuity which was to be reached in five years. Half of this was to come from the budget of the Republic, the remainder from transport taxes, the German railways, and industrial debentures, the latter two liabilities to be covered by bonds which were to be commercialized. A transfer system was created to handle the payments, and a Reparations Commissioner was placed in Berlin to repre-

sent the creditors and watch over the rehabilitated financial system. Perhaps the most important feature of the Dawes Plan was that it ignored completely the political factors involved in the situation.

Upon the political atmosphere of Europe the Plan had an almost immediate and beneficial effect. The lead given by economic common sense had been limited; but it was strengthened by a fortunate coöperation of the moderate Coalition at Berlin with the newly elected Left Bloc Government in France and the British Labor regime at London. Most important of all, a statesman had appeared upon the scene in Germany in the person of Gustav Stresemann, the Foreign Minister, who led the foreign policy of the Republic along the ways of peace until his death, October 3, 1929.

V
Stresemann

As Foreign Minister of the German Republic, Gustav Stresemann was pursued by relentless political opposition at home and confronted, at the outset, by a suspicious and hostile Europe. It was a measure of his abilities that he stood off a series of domestic political attacks which lost none of their venom down to the day of his death; and that he transformed outside enmity and doubt into friendly coöperation which carried Germany back into association with the European family.

In the political field the assault was opened by Nationalists of all hues the moment the Dawes Plan was published. The prestige of the Republic was at low ebb, owing to widespread public confusion and suffering. The death of President Ebert, which precipitated a popular presidential election, offered the forces of the reaction ample opportunity. This they seized immediately, making their candidate in the final election "run off" Field Marshal Paul von Hindenburg, the outstanding German General of the war. Though the Social Democrats, Centrists, and Democrats polled 14,655,641 votes for their candidate, Wilhelm Marx, the Communist candidate, drew away

1,900,000 votes from the middle and left groups, with the result that von Hindenburg was elected to the Presidency with 15,682,756 votes. The German reaction exulted. Hindenburg had already published his recollections in which he made no effort to conceal his hopes for a Monarchist restoration. Yet, despite these views, the old General took the oath of allegiance to the Republic which had selected him as its Chief Executive, announcing that he proposed to keep his oath to the letter. This pledge he observed with such staunchness and vigor that another year found his most violent critics recruited from the ranks of the Nationalist reactionaries. At every stage, the new President threw his support behind the policy of the Foreign Minister. The first test came with the Locarno Treaties.

The Stresemann policy was founded upon the idea of rehabilitation of Germany in Europe, that she might thereby win sufficient prestige and strength to enable her to rid herself peaceably of the disabilities imposed upon her by the Versailles Treaty. To carry this idea forward in respect to Reparations, the Dawes Plan machinery was now available; to advance it in the political phase, it was essential that the rancorous feud with France should cease. The German Foreign Minister accordingly took the initiative, offering France in the Spring of 1925 a ninety-nine year mutual non-aggression pact to cover the whole Western frontier alignment of the German nation. A treaty resulted which was signed in Locarno, Switzerland, in October, 1925. At Locarno, France and Germany agreed to accept the Rhineland status as it then existed, each pledging herself not to attack the other. England, Italy and Belgium strengthened this pact by joining it with a proviso that they would jointly come to the aid of either France or Germany in case one of these attacked the other. A series of bilateral treaties among Germany and French allies—Poland, Belgium and Czechoslovakia—knit the treaty structure closer.

Stresemann had launched his policy with success; and although the treaties infuriated the reactionaries at home, they enormously enhanced Germany's prestige abroad. As a result of the German initiative, which was welcomed by M Aristide Briand, Foreign Minister of France, the French proposed that

Germany further sustain the new treaty by entering the League of Nations, that her responsibilities for keeping the peace might be enlarged. Stresemann accepted the suggestion and early in September, 1926, Germany took her place once more in the family of nations and her seat in the Council of the League. A few days later M Briand and Herr Stresemann met at Thoiry, where they went over the issues dividing Germany and France and made tentative agreements to speed evacuation of the Rhineland and to quicken the flow of Reparations payments through sale of several hundred million dollars' worth of the railway bonds provided for in the Dawes Plan. Although this scheme ran afoul of the desires of the directors of French policy at Paris, and met rebuff in the financial markets in the United States and England, it lent new strength to the Stresemann policy. The linking of Reparations problems with Rhineland evacuation at Thoiry resulted in negotiations, the upshot of which was an Allied decision in September, 1928, to make a new attempt to liquidate the war. The Reparations bill was to be placed upon a new basis; a total was to be set covering the amount asked of Germany; the Rhineland was to be evacuated as soon as the new Plan received approval by the German Government; and a conciliation committee was to be set up to handle disputes between the two nations.

The fruits of this decision were embodied in the Young Plan, drawn up by a committee headed by Owen D. Young. The new Plan was reported June 7, 1929, revised at two conferences held among the interested Powers at The Hague in August, 1929, and January, 1930, and finally put into operation the following May. The Young Plan superseded the instrumentalities of the Dawes Plan, restored Germany's financial independence, abolished the Reparations Commissioner and all committees of control created under the Treaty clauses, fixed a new and lower schedule of annual payments for Germany on Reparations, set the total sum of the bill at $8,032,500,000 and the interest rate at 5½%—about $26,000,000,000 ultimate value—and provided two groups of annuities, payment on the final series to be completed in 1988. The Reparations bill was divided into "postponable" and "non-postponable" annual pay-

ments; and provisions were inserted permitting Germany to seek a two-year moratorium on the former in case circumstances arose making this necessary. For handling the Reparations payments, a Bank of International Settlements was created. Finally, a time limit, expiring June 30, 1930, was set as the deadline before which all Allied occupational troops were to be withdrawn from the Rhineland.

Stresemann had carried German foreign policy out of the morass of the Ruhr. He had cleared the political air at Locarno with new peace pledges; he had taken Germany into the League of Nations and had won another reduction on the Reparations bill: he had restored to her the right to run her own finances, and won withdrawal of the Rhineland occupation five years earlier than the Treaty stipulated.

But the Young Plan, like its predecessor the Dawes Plan, and like the foundation of both, the Treaty of Versailles, was based upon the thesis of Germany's sole guilt in the war. Like both it presented a bill contingent upon the truth of that premise. So the German Foreign Minister faced stormy weather in the German Republic. The steady multiplication of debts and taxes; the weakness of a Government which had undergone nineteen changes in eleven years and still gave no promise of political evolution, clarification and strength; the hopelessness of the economic outlook—all combined to consolidate opposition to the latest Plan whereby Germany was to shoulder for another fifty-nine years the burden which steadily pressed her down into the economic bog.

Accordingly the Young Plan was attacked; and its opponents demanded an end to national helplessness. To compel consideration of their views by the Reichstag the Nationalists drew up a bill which renounced war guilt for Germany, demanded immediate evacuation of the Rhineland as a right, cancelled all further payments on the Reparations bill, and proposed that any government officials who signed contrary agreements should be tried for capital crimes against the German nation. Though President von Hindenburg threw full weight of his powerful opposition against this bill, and all moderate parties in Germany united to oppose it, it was passed

by the 10% of the electorate required under the referendum clauses of the Constitution. This forced it to a vote in the Reichstag, where it was killed by 312 noes to 60 ayes.

The strain of this final attack wrecked the health of Stresemann, who died suddenly in October, 1929. His policy had completed its role; yet even this achievement of major statesmanship failed to rescue his nation from the procrustean bed prepared for it by the Versailles Treaty.

VI
Rising Tides

Though appearances suggested marked progress since the advent of the Dawes Plan, Germany had found no solution of her real problem. The Republic had merely shifted from one cycle of tribulations to another which, if immediately less obvious, was fundamentally worse.

The effects of the Plan had seemed beneficial. She had met her Reparations payments with regularity. The industrial renovation pushed by her larger business interests at the cost of inflation had continued with the aid of foreign loans which poured in upon her with the restoration of her credit in 1924. To supplement her coal supplies, Germany had developed lignite and electric power; to enlarge her foreign trade a vast new merchant marine had been built. Her industrial capitalists waxed rich once more; her cities improved as innumerable public projects financed by foreign borrowing speeded to completion.

But the Reparations payments came from borrowed money almost in their entirety; and on the very first year that the burden of the full "standard" payment fell upon her budget her whole fiscal system shook on its bases. Foreign borrowings for Reparations, for industry, for state and municipal undertakings, snared her economy in a fabulous debt which rose between 1924 and 1930 to $5,000,000,000 and by 1931 stood at $6,500,000,000. More than one-third of this huge sum represented short term credits, which threw her financial machinery under a heavy strain to meet incessantly maturing obligations.

In this process of borrowing many of her largest enterprises had passed into the hands of foreign owners. As the nation manœuvred to meet multiplying interest and debt obligations, budgetary deficits fluctuated wildly. In 1926 the shortage was $26,202,000; in 1927 it stood at $203,184,000; in 1928 at $84,561,000; in 1929 at $294,653,000; in 1930 at $186,000,000; while in 1931, before half the fiscal year had elapsed, it had raced upward to $300,000,000. At the same time, her total amortization and interest charges due attained the staggering figure of $500,000,000 a year.

As her production rose, the tariff war against her products, forced by earlier pressure upon her for Reparations payments between 1921 and 1922, intensified all over the world. At the very peak of the boom during 1927, her imports exceeded her exports by more than $1,000,000,000; yet only by reversing that balance and exporting more than she imported could she ever hope to stabilize her finances and pay her bills. Then, in 1928, the disabling effects of the general European depression begotten by nearly a decade of political and economic folly flowed in over her borders to produce further complications.

Despite the marked advance made in her foreign policy under Stresemann there was no compensatory advance toward genuine equality of treatment of the German Republic by its neighbors in Europe, a fact which was responsible for her renewal of treaty agreements with Soviet Russia first in 1926 and later in 1929-30. At every turn she was faced by the Treaty of Versailles. It was invoked by France in 1926 when the German Government sought to negotiate with Belgium for return of Eupen and Malmedy by purchase. Twelve years after the custodians of the Treaty had given solemn pledges in writing that they would balance the compulsory disarmament of Germany by reducing their own armaments, the pledge remained unfulfilled in its entirety. When an attempt was made through the League of Nations at Geneva to obtain redress for the German minorities in Polish Silesia for extraordinarily brutal terrorization at the hands of Polish organizations, redress was blocked by France and her allies. To German de-

mands that the Poles be ordered to observe treaties covering minorities, no answer was given. When modification of the Treaty was suggested to improve German economic resources, the answer was silence. To her request for a Colonial mandate under the League no response was made. When she devised a new type of warship which complied fully with Treaty stipulations imposed upon her, she was violently denounced as endangering the security of Europe.

The reaction among the German people to these continual rebuffs gradually deepened as her population became conscious of their plight and of the weakness of their Government at home. The Dawes Plan had effected no permanent redress of the balance of unemployment in spite of the tremendous industrial impulse it released. The Young Plan failed equally to resolve this problem. In February, 1925, there were 575,243 on the unemployment registers of the Republic; a year later there were 2,058,000; in December, 1926, there were 1,549,408; and while the figures dropped sharply in 1927 at the height of the business boom, they rose as sharply again in 1928 when the boom collapsed. By the close of the Summer of 1930 nearly 2,000,000 were out of work; by Winter, the number stood at approximately 3,000,000 and in the Spring of 1931 the army of jobless had swollen to the fearful proportions of 4,500,000 out of a total population of 63,380,000. At the close of the same year the unemployment figures stood at 5,600,000.

Taxation bore down with steadily increasing severity upon the wage earning and professional classes who carried more than 60% of the income tax burden as the decade neared an end and paid into the national treasury almost one-third as much again as the wealthy holders of taxed capital. While living costs soared far above the index figure of 1913, purchasing power continued below the 1913 level. From universities, colleges, gymnasia and technical schools, as the years passed, hundreds of thousands of Germany's youth were poured into the arena of life—to find the doors of opportunity closed and themselves faced with destitution and beggary.

The Social Democratic idea, which had brought the Republic into existence, was disabled in operation through Gov-

ernment by political compromises which were now required to carry on any Government whatever. For this the multiplicity of parties was responsible. The result was endless formation of ill-sorted Coalition ministries. The Social Democrats were out of control of the Republic they had created within three years of its birth; and they were forced most of the time to remain outside of the Coalition ministries as well, owing to the inclusion within these of their bitter political foes. Between 1920 and 1929 their party filled the Chancellorship but once.

Political confusion showed no signs of abating through successive elections; and when the centripetal force of the Stresemann foreign policy ceased to operate with his death in 1929, parties flew apart in all directions. The Cabinet crashed, and its former associates opened war upon one another. The first general election in 1919 had evoked twenty-one parties; the 1924 elections produced twenty-seven; the elections in 1928 turned up fourteen. As a result, the strength of the Government was steadily depleted, its prestige sank almost without interruption year by year, and the frustration which followed every attempt to cut loose from the bonds of the Treaty diminished popular feeling of the value of Stresemann's efforts.

On March 27, 1930, the "Grand Coalition" Ministry which had carried through the Stresemann policy in its final phase—the Young Plan—stranded upon the reefs of unemployment insurance demands from the Social Democrats. A minority Government headed by Heinrich Bruening of the Catholic Center Party took office. But when the new regime endeavored to force drastic financial reform measures through the Reichstag by semi-dictatorial decrees, invoking emergency powers provided in the Constitution, the Reichstag resisted and forced a general election.

The black discouragement of all sections of the German public, particularly the young generation, the professional classes, and the labor unions, turned them to radical courses. Communism began to swell its ranks by recruitment from the unions, whose support for the Social Democratic Party had been hitherto staunch and energetic. At the other extreme, the Fascist-minded National Socialist Party of Adolf Hitler

gathered in thousands of new adherents from the farms, the universities and small business ranks.

Adolf Hitler, whose "beer cellar putsch" at Munich in Bavaria had come to an inglorious end in 1923, was the moving power behind the National Socialist cause. He was a man without a country; for he had lost his Austrian nationality through service during the war in a Bavarian regiment, and the German Republic, following his ill-fated political coup in 1923, refused him citizenship as a German. Hitler had been released from jail after serving less than one year of a five-year sentence. Though barred from public appearances in almost all German states save Thuringia and Mecklenburg, he at once undertook the reorganization of the National Socialist movement throughout the nation. A marvellous orator, a magnetic personality, a dynamo of energy, gifted with a talent for the theatrical and a genius for organization, he divided the Republic into zones, trained agitators and speakers for each zone, formed "shock brigades," created a secret police for his party modelled upon the Russian Cheka, and made a bold bid for support from all the dissatisfied elements in the Republic, save the Communists. Upon these his party swore war to the death.

To attract adherents of nationalism, Hitler's program called for one "great Germany", the abrogation of the Versailles Treaty, the repudiation of all Reparations payments, and trial for treason of all persons chiefly instrumental in the formation of the Republic or the signing of the Peace Treaty. Availing himself of a strong anti-Semitic movement in parts of the Reich, he proposed to exclude Jews from all rights of citizenship and from public office. To attract the unemployed, he demanded that the State assume responsibility for providing work in times of stress, that all foreigners be excluded from the nation or permitted to reside there only with status of "guests", that unearned incomes be confiscated for the public interest together with all war profits, and that the income from trusts be divided with their workmen. To stimulate the enthusiasm of the small farmers, he demanded reapportionment of all large landed estates. To win over orthodox Socialists, he urged that the greatest industries be nationalized. To interest the women

voters he drew up a program banning child labor, calling for the reform of education, developing public health and hygiene projects, and offering an extensive scheme for maternity welfare.

In 1928 the Nationalist Socialist Party had polled but 809,761 votes in the entire nation, winning but twelve seats in the Reichstag. On September 14, 1930, Hitler's National Socialists rolled up a total popular vote of 6,401,210, captured 107 seats in the National Legislature, and became, next to the Social Democratic Party, the second largest political unit in Germany. Simultaneously the Communists, who held but twenty-four seats in 1924 and fifty-four in 1928, polled 4,460,000 votes and became the third largest among the German political parties.

This emphatic protest through extremism, right and left, startled Germany and the entire outside world. A flight of capital investments began immediately, as alarmed creditors sought to retrieve their loans.

VII
Collapse

Political war swirled over Germany during the ensuing months as the Bruening Ministry, which retained office in spite of the election results, fought desperately to impose new taxation and to invoke sharp economies to stave off a slowly developing financial hurricane. By February, unemployment had passed 4,500,000 and the ranks of the Fascist Hitlerites and Communists grew rapidly. The march toward chaos quickened; and the Bruening Ministry employed dictatorial decrees, supported by President von Hindenburg, in frantic effort to halt its progress. In the Reichstag, the growing strength of extremism almost succeeded in stalling the entire governmental machinery. Making hasty attempts to win some affirmative prospect which would diminish the rising whirlwind, the German Government negotiated with Austria a pact for a Customs Union by the terms of which the industrial and economic health

of both countries might be aided; but no sooner was this tentative agreement announced in March, than an uproar arose over Europe against it. France forced it into the League for examination, manœuvred it next Fall into the World Court, and, pending adverse decision (which came late in the Summer in a Court vote controlled by the French majority) announced that she would not tolerate this economic move regardless of what the Court decided.

By May the flight of capital from Germany, the withdrawal of gold from German banks by outside creditors, and the storm of demands for repayment of short term credits, carried the German Republic swiftly into the rapids. In June, as reserves became exhausted and the Treasury deficit mounted, the Government was driven to promulgate new tax decrees which, within forty-eight hours, threw the entire population into sizzling fury. Swamped by local, state, and national charges of government, hag-ridden by a protracted poverty which was effecting a new obliteration of the lingering remnants of the middle classes, staggering with the problem of no fewer than 5,000,000 unemployed, thwarted by outside interference in attempts to effect economic rehabilitation through the Customs Union, their unanimous anger at the latest imposition with its reduction of salaries and employment and its increase in bills collectable found expression in shouted demands for the immediate convening of the Reichstag.

The Chancellor and his Cabinet were under no illusions about the danger before them. In a strong manifesto they besought the public to remain calm and to renew the "spirit of sacrifice" that the Republic might be saved from violent upheaval. These new measures, the fourth set issued within a year, they declared to be essential if Germany was to be freed from outside exactions which disabled her industry and finance. A crippled, defeated, and restricted Germany snarled in a world depression, her credit exhausted, found herself unable to go on with the labors of Sysiphus in the struggle to maintain government, to meet interest charges, to foster industry, to pay Reparations. The original Reparations scheme had failed. The Dawes Plan had not sufficed. The Young Plan was now an impossi-

bility. "These payments were undertaken upon presuppositions which have not been realized", declared the Government. Germany's demand for suspension of the Young Plan and a new deal had become a demand for the right of self-preservation.

A hurried visit to London failed to elicit funds to prevent the debacle. An attempt to borrow from France ran upon the rocks of "political conditions" which the French sought to attach to any financial aid extended from Paris. As the third week of June arrived, President von Hindenburg appealed for help to the President of the United States; and the Hoover moratorium was proposed, only to ground upon French objections to relinquishing Reparations in their entirety.

When, on July 6, France finally agreed to a modified moratorium plan in which she won her point, affairs in Germany had passed beyond the help it offered. An emergency rediscount loan of $100,000,000 from several of the most powerful of the world banks proved inadequate to halt the avalanche. On July 14, the German Republic spilled into a panic. Runs on all financial institutions swelled in volume. Stock exchanges closed. The two greatest commercial banking institutions in the Republic failed, pulling down scores of allied institutions throughout Germany. The panic seized Austria, Latvia and Roumania. Banking operations were suspended in Hungary and Bulgaria. German money was outlawed in Switzerland, Holland, Belgium and Luxembourg.

As the reverberations of the collapse spread and multiplied through Europe, world bankers sought to halt them. Consultations among American, English, French and German financiers and statesmen at Paris were followed by a Seven Power Conference at London on July 20 which pledged another extension of the $100,000,000 loan, the "freezing" of short term credits remaining in Germany, and a new examination of Germany's condition by a committee of experts, with the purpose of finding a way out of the financial tornado sweeping the entire Western world.

In Germany the tides of public agitation grew and recruits thronged to the ranks of the Communist and Nationalist Socialist causes. By political manipulation Chancellor Bruening

postponed the meeting of the Reichstag and manœuvred more openly toward dictatorship. Decrees were issued by the Government taking over full control of all financial activities in the country and imposing new and drastic programs for economy. On August 18 the Experts Committee headed by the President of the Chase National Bank of New York, Albert Wiggin, reported with a detailed survey of Germany's plight. She had been unable to pay Reparations out of her own resources, declared the report, and now she could pay no more. No new loan could be floated for her assistance until conditions stabilized. To effect this the temporary means already adopted would not suffice, though they would help. Unless and until the obstacles and political hindrances to German internal stability were removed by the governments concerned, nothing could be done to prevent continuation of the depression which was stagnating the economic life of the world and threatening the capitalistic system with ruin.

The past was struggling with the present, and once more the result was disaster. Germany's internal political situation, declared the Wiggin report, was attributable directly to the impositions placed upon her from the outside. It could be remedied only by a new policy of "sympathetic coöperation and mutual confidence" toward Germany among her neighbors in Europe. There was no time to lose.

So the Treaty and its consequences once more emerged to the front of the public stage, this time to fill a role of distinction greater than any they had held previously. An effort to bridge the differences between Germany and France through a conference between Premier Laval and Chancellor Bruening resulted only in the further development of French policy. An economic commission of contacts was created, which set to work in early November to enlarge the hold of French industrial capitalism upon the economy of the German nation. France proposed to act as financier in return for new extensions of her economic power in Europe.

While these conferences were proceeding, an election at Hamburg disclosed a 60% increase in the vote of the Hitler party, and a 20% rise in the strength of Communism in that

city. A fortnight later elections in two German States revealed that the tides were running faster while the disintegration of the Social Democratic Party proceeded pellmell. Hitlerism grew by 100% over its 1930 vote. In mid-November Communism and Fascism swept the elections in Hesse.

The Social Democratic Party in an effort to save itself veered sharply to the political left. The move was unavailing. Twenty of its members in the Reichstag seceded from the party and undertook to revive the Independent Socialist Party with a straight Socialistic program, to hold the labor unions back from their movement toward Communism. And as the gold reserve of the Reichsbank trickled gradually away in spite of special decrees and credit "freezing" agreements, Germany asked the International Bank at Basle to reëxamine her capacity to pay Reparations.

15 · THE BALKANS—EUROPE'S WITCH CAULDRON

NO region in Europe fulfilled more completely the definition of "bedlam" than the states comprising its Southern extremity, when the peacemakers at Versailles pushed back their chairs from the table in the Hall of Mirrors in June, 1919. Roumanian armies were storming the vague frontiers of Hungary where a Communist terror raged. Italians were battling with mountain bands in Albania. Greece, discovering that the Turk refused to accept defeat already administered, was clashing with the Turkish Nationalists. In Austria, millions were without work or sufficient food. Bulgaria was embroiled with Serbian invaders. Everywhere nations eager for territory were quarrelling over the fragments of the defunct Austro-Hungarian Empire.

I
The Blasted Heath

Southern Europe, between the Easterly coasts of the Adriatic and the mouth of the Danube on the Black Sea, juts a jagged mountainous peninsula into the Mediterranean. Across this lies the land bridge over which Medieval Europe plied its trade with Asia Minor whence the great caravan trails stretched away toward the Orient. Down the passes of this ancient highway—the path of migrations since the days when races first began to swash Westward into Europe—once fared the most formidable of the Crusades bound for Jerusalem. Back along

the same route poured the Saracen horde, to proclaim the rising power of the Turks during the 15th Century and fix the authority of that power upon the multitude of races dwelling there, during five successive centuries. Against the Turk in Europe, Greece, occupying the lower end of the peninsula, had risen to liberate herself during the second decade of the 19th Century. Against the same Ottoman Empire, Greece, Bulgaria and Serbia hurled themselves in 1912 in the first Balkan War, when they succeeded in driving their Oriental overlord back to Thrace. Immediately thereafter, a quarrel among the victors over the territorial spoils brought the Turk part way back and produced the second Balkan War in 1913, aligning Roumania, Serbia and Greece against Bulgaria.

In this turbulent arena Czarist Russia contended against the dominance of the Ottoman and Austro-Hungarian Empires alike, espousing the cause of the Slavic populations. Austria-Hungary, supported by the German Empire, fought back in incessant diplomatic duelling. So the entire Balkan area on the peninsula became a chess board, upon which Imperialist diplomacy manœuvred nations and peoples as pawns. Here, finally, this feud loaded and fired at Sarajevo, the Bosnian capital, the pistol which killed the Archduke of Austria and opened the World War. Serbia, under Russian patronage, collided with the Imperial ambitions of the Hapsburgs; Germany (whose Emperor dreamed of a railroad from Berlin to Bagdad by way of the Balkan land bridge) supported Vienna's demands upon Serbia. England (whose policy directors opposed German penetration of Asia by this prospective railway) backed Russia with France.

At the outbreak of the World War, the Balkan peninsula—which obtained its name from the Turkish word for mountain—was already a bewildering conglomeration of races and nationalities: Turk, German, Armenian, Jew, Albanian, Croat, Slovene, Serb, Macedonian, Greek, Roumanian, Magyar, Czech, Italian and Gypsy rubbed elbows everywhere. When the Empire of the Hapsburgs collapsed all the nationalities held together within its fantastic political pattern flew apart under the centrifugal force of suddenly released national hopes. A

landslide of 261,035 square miles of territory and 49,418,000 people was dumped upon the Balkan corridor; and the whole of South Europe was speedily transformed into a condition that had previously characterized the Balkan peninsula alone. The entire region was "Balkanized" from the Adriatic to the Danube, from the Southern borders of Germany to the Mediterranean.

Austria-Hungary had been an Empire of nationalities, not a national Empire. Its debacle began in 1918, when the Czechs and Slovaks, who had long detested the authority it wielded over them, undertook to wrest themselves free of the tottering ruin.

II
Czechoslovakia

Thus was born Czechoslovakia, the one new, important, succession state in Southern Europe embodying the Social Democratic idea in a Republic, whose sagacious leaders, Thomas Masayrk and Dr. Eduard Benes, began at once to guide it along the ways of peace and moderation. Czechoslovakia was the sole fortunate fragment of the fallen Empire. Her territories not only included large agricultural and natural resources; they included as well what had been the industrial heart of the Hapsburg domains. Her population, like that of her neighbors in the Balkanized South and West, was criss-crossed by racial lines; but two nationalities, the Czechs and the Slovaks, predominated easily, and unlike the majority races in the adjacent regions, they supported policies of political and racial fair play for the minorities. Poised on the edge of the Balkanized area, Czechoslovakia was of it, yet apart from it. Her neighborhood trade tied her into it; her geographical location held her from it.

No more impressive picture of intelligent statesmanship emerged in Europe in the years immediately following the war than that limned by the efforts and policies of Masayrk—who became the first President of the Republic—and his able assistant, Dr. Benes, the Foreign Minister. While other nations

were still waging war with Soviet Russia, Masayrk in 1920 arranged for peace negotiations with his huge Slavic neighbor. The brawls, plots, and contentions swirling over every nation in the Balkanized region were almost totally absent from this industrious energetic newcomer in the European family. While fear of Germany and detestation of German military forays bound her to the thesis of Versailles, Czechoslovakia's anti-German enmity rapidly cooled off and she was soon developing commercial relations with her recent foe. Almost every other nation in Europe was suffering from hysterics and fright over Communist agitation, but Czechoslovakia went her way, her leaders refusing to be stampeded into repressive excesses, content to trust the ballot box. This confidence was justified year after year. Communism in Czechoslovakia evaporated like steam blown from a safety valve.

The Czechoslovakian Constitution, adopted in February, 1920, was one of the most enlightened structures of organic government created during the post-war period. Fashioned upon French and American models, it made advances beyond both. Women were completely enfranchised at a stroke. Racial minorities were assured voice in the Government through a system of proportional representation. Their rights were further safeguarded by treaties. They were given the right to retain their languages, to maintain schools, to keep their folk customs. In one section of the Republic, where a strong and homogeneous minority preponderated, an autonomous state within the Czechoslovakian federation was devised for them. Thoroughly progressive labor laws, advanced social legislation, and provisions which insured firm control by civilian government over the military, protected the nation from threats of internal strife.

President Masayrk and his Foreign Minister not only pursued a policy of high statesmanship at home; they became a powerful force for European peace as well. In August, 1920, actuated by fears of a French policy that threatened to bring complications to states in possession of former Hungarian territories, the Czech leaders organized the Little Entente, a league including their own nation, Roumania and the King-

dom of Serbs, Croats and Slovenes, all of whom entertained the same disquietude. This Entente, on the 2nd of the following April, successfully blocked the restoration attempt of ex-Emperor Karl of Austria, who sought to ascend the Magyar throne in Hungary. Later, when Fascism rose in Italy and began an aggressive drive for a sphere of influence in the Balkans, the Little Entente threw up barriers. In 1925, when Greece and Bulgaria threatened to plunge the entire Balkanized area of Europe into war over border quarrels, once more the Little Entente aligned itself with the forces making for peace. Thereafter, as French policy expanded the Little Entente fell gradually under its influence and became moribund until May, 1929, when it was once more rehabilitated as its member states joined in new moves for a Balkan Federation to put an end to the turgid confusion and friction plaguing the whole region.

III
The Weird Sisters

The Allied Powers had failed at Paris in 1919 to settle their quarrel with what remained of the Austro-Hungarian Empire and its Bulgarian ally. Upon Austria, accordingly, they imposed the Treaty of St. Germain, September 10, 1919, and upon Bulgaria the Treaty of Neuilly, November 27, 1919. With Hungary no peace was possible until June 4, 1920, because their own failure to support a moderate Republic in that country had plunged the nation into a bloody civil war. On that date the Treaty of Trianon was imposed by ultimatum.

These treaties, which obliterated the Dual Empire from the earth, parcelling out its territories among neighboring states, sought to disentangle the racial and national puzzle, gave it up as a bad job, and ended by laying down arbitrary frontiers which ignored geography, ethnic fact, and economics.

Austria before the war had been a huge state, 115,903 square miles in extent with 29,000,000 population. The Treaty of St. Germain fixed her limits as a state of 39,369 square

miles, with 6,500,000 population, a great proportion of them former functionaries in the Imperial services crowded into Vienna. H. N. Brailsford describes the results of the St. Germain Treaty as follows: "The peace left Vienna a capital without its Empire, a factory without a market, a bank without clients, a city without a countryside to feed it. . . . The peace robbed it of its sphere of operations. The new states which surrounded it were intoxicated with heavy nationalism and hemmed it in like a besieged city with a wall of tariffs and prohibitions. It could not feed itself from its little Alpine territory. It could not trade. Every door to emigration was closed. It was literally bankrupt and starving." So Austria became the modern world's most grisly tragedy of mass starvation—a condition in which she continued until 1922 when the League of Nations, finding all other means inadequate, intervened to save her, to revise her economy and to improve her opportunities for existence.

Hungary, the other surviving remnant of the fallen Empire, was in a plight almost as bad. For Austria chose early to limit her inner political contentions to a struggle between advocates of the Social Democratic idea and supporters of a peasant-industrialist-clerical demand for conservatism. But Hungary, after passing through a Roumanian invasion, and next through a democratic revolution in which her leaders built a structure of Republican rule modelled upon the constitution of the United States, forthwith tumbled, first into the arms of Bela Kun, a Communist adventurer, and next into a White Terror which exceeded what had gone before in grim ferocity. Upon obtaining control, Hungary's reactionaries conducted themselves so ruthlessly that a general boycott was launched against the country by all organized forces of Social Democracy in Europe in 1922 to compel an end to sanguine excesses.

Hungary, like Austria, became a Balkan outcast and an economic anomaly. By the terms of the Treaty of Trianon her territory shrank from its former 125,430 square miles to 35,901; her population contracted from 20,840,000 to approximately 6,200,000. She was deprived of her forests, of all her iron ore, salt mines, bituminous gas, oil, most of her water

power, half her manufacturing establishments, and was racially cut to pieces, with huge Magyar populations shifted to her neighbor states. In addition, the Treaty saddled her with almost the whole debt of the old Hapsburg Empire.

At the same time the Balkan peace settlements transformed pre-war Serbia's 18,650 square miles of territory into 96,134 and rolled up her population from 2,911,000 to 12,017,000, creating the Triune Kingdom of Serbs, Croats and Slovenes. Bulgaria, in spite of her war alignment, added 1,200,000 to her population and increased her territory from 24,380 square miles to 39,824. Roumania expanded nearly thrice her pre-war dimensions of 50,720 square miles and boosted her population from 5,965,000 to 17,390,000. Greece, which boasted 25,014 square miles and 2,631,000 people in 1914, doubled her area and almost tripled her population.

These wholesale shifts of territory and populations in a region where frontiers had been notorious before the war magnified tumult, multiplied border brawls, incited a turgid succession of race and nationalistic plots, and punctuated the succeeding years with outbursts of assassination, mass arrests, and tireless strife. The transfer of territories by treaty fiat proved insufficient to effect a concomitant shift in allegiances.

German minorities in South Tyrol (formerly Austrian territory) underwent drastic terrorization at the hands of their new Fascist Italian rulers. This embroiled the relations of Italy and Austria. Bulgarian minorities in Northern Greece, pillaged and massacred remorselessly by their new Government, fled home across the border and in turn set upon Greek minorities there to obtain revenge, almost producing a general upheaval in 1925. Magyars in Transylvania who had been annexed by Roumania, carried on sporadic war with their neighbors (whose landlords they had once been) and with the Roumanian Government, which spent the earliest post-war years endeavoring to evade its promises of agrarian reform. Bessarabia, snatched by the Allies from Russia and tacked onto Roumania in the East, organized coups against Bucharest to indicate displeasure at the transfer of sovereignty, while Soviet Russia announced that this rape of its territories would

never be recognized at Moscow and that all treaties affecting it were null and void.

To all this seething unrest among the Balkanized regions of South Europe, the Macedonian revolutionaries, from headquarters in the Balkan mountains, added a stubborn and merciless civil war against Greece, Jugoslavia and, at times, Bulgaria. The Macedonians claimed nationality which the peace treaties ignored. During the final decade of the 19th Century these mountaineers had organized a secret society to achieve liberation from Turkish control. They had fought again in the Balkan wars, hoping to win recognition of their claims to a homeland. When, following the World War, they found themselves still denied nationhood, they at once reorganized their famous I. M. R. O.—Internal Macedonian Revolutionary Organization—and opened campaigns upon all Balkan states holding territories claimed for the Macedonian nation. Bulgaria, where the greater number of the Macedonians were concentrated, followed a political policy of friendship toward their aspirations, largely because the Macedonians in Bulgaria had penetrated the Cabinet, controlled half the army, and infested the police. This friendship the I. M. R. O. turned endlessly to account during the decade following the war, until Bulgarian officials feared to intervene against the plans of the revolutionaries and the movement created a state of open warfare upon the Serbian border.

In 1928 a split within the Macedonian revolutionary organization added to the turmoil. One faction hunted the other down throughout the Balkan area, continuing its private war with Greece and Jugoslavia at the same time. Within fourteen months, 146 political murders had added to the prevalent confusion. As the feuds and border raids multiplied, Bulgaria and Jugoslavia engaged in hostile exchanges, until England, Italy and France intervened in 1930, demanding that Bulgaria put down the revolutionists and reëstablish peace. This delicate task Bulgaria performed cautiously, her method being to try the Macedonian leader without arresting him and find him not guilty by jury verdict.

Bickerings among the Balkan nations over racial and

national issues that had been sharpened by the outcome of the war with its resulting treaties, had their counterpart within the borders of almost every state in the region in domestic dissensions. Czechoslovakia's wise policy toward minorities found no responsive echo in any of them.

The Triune Kingdom of Serbs, Croats and Slovenes erupted almost immediately with internal strife as the Serbs undertook by strong-arm methods to dominate the Government, while their powerful Croatian associates insisted upon being vested with a full share of official power and rights as partners. As a consequence the Triune Kingdom was soon torn by civil commotion and the dispute reached a climax in June, 1928, when seven Croatian representatives were shot in the Parliament by an agent of the anti-Croatian forces. Stefan Raditch, leader of the Croatian party, subsequently died of his wounds. The Croats walked out of the Parliament and instituted a boycott on the Government. This in turn provoked a savage campaign of reprisals from the Serbians. By 1929 bitterness and violence had reached such a stage that the nation was threatened with destruction. Government had become a Serbian reign of terror. Prisons were crammed with political prisoners. Serbian armed forces occupied the province of Croatia, ousting local governments, forbidding freedom of press and assembly, hunting down all known leaders of the Croatian cause. King Alexander, in a desperate effort to put an end to the public confusion, thereupon suspended the Parliament, and, with the support of the same secret Serbian military organizations that had arranged the assassination of the Duke of Austria in Sarajevo in 1914, made himself dictator, with the commander of the Palace Guards as Premier. A new reign of terror against minorities began as the dictatorship set about establishing its authority. All political parties associated with the opposition to Serbian ascendency were crushed. Their newspapers were confiscated. The roster of prisoners for political causes mounted into the thousands. Old donjons, long unused, were commandeered to swallow the innumerable victims. To wipe out the political divisions which created havoc with government, the King announced abolition of all provincial lines

and the reconstitution of the Kingdom as Jugoslavia, in a system of new departments; but this decree failed to erase the fact of racial concentration in various parts of the country; Croatia, though no longer so called, remained Croatia by virtue of a settled and homogeneous Croat population. After eighteen months, the dictator King found himself as baffled as he had been before suspending the constitution, and so he decided in the Summer of 1931 to move back in the direction of constitutional government through a Parliament. No sooner was his decision announced than the Serbians undertook to dominate the elections, while the Croats proclaimed a boycott upon them as one-sided and undemocratic.

The experience of Jugoslavia in political turmoil, bred of race divisions and the desire of one group to dominate all others, was duplicated in varying degrees in other Balkanized states of South Europe. While anti-Semitism rended Roumania, hundreds of Greek refugees, driven from Asia Minor by the victory of the Turks, by the tearing up of the Treaty of Sevres, and the diplomatic triumph of the new Turkey at the Lausanne Peace Conference July 24, 1923, swarmed into Northern Greece where they undertook by violence to dispossess other races settled there.

Economic, racial, and national disputes did not complete the wretched total of Balkan troubles. To these were added, year after year, political collisions among factions of the same races within the various states. Albania, on the shores of the Adriatic, became a battleground over which mountain tribesmen fought with valley towns for control over Government. Though a Republic was proclaimed and Albania entered the League of Nations in July, 1921, by June, 1924, a revolution drove President Ahmed Zogu into the hills, whence he returned the following month to upset his conquerors and institute a war of extermination against them. Meantime his activities as President had embroiled him in hundreds of blood feuds with the hill tribes, who vowed vendetta against him. Elected President again in 1925, Zogu decided that an iron hand was needed, and accordingly made himself dictator. In 1928 he proclaimed

himself King through a Parliament entirely under his own thumb.

In Austria the Social Democratic Party, controlling Vienna, had clashed with a combination of peasants, industrialists and clericals from the moment the Republic was instituted. Each party, fearful of the power of the other, proceeded to organize a private army of its own, the Socialists building up a Schutzenbund in Vienna, the Conservatives creating a Heimwehr based upon the rural districts and outside cities. As a result Austria entered upon a career of internal political violence which continued intermittently, year after year, until at last it culminated in a bloody riot on July 15, 1927, at Vienna, when fifty-one persons were killed and more than two hundred were injured. Against the skirmishes of her two private armies, Austria's official army, sharply limited by the Treaty of St. Germain, was almost entirely powerless. For the strength of the advocates of social reform enveloped the National Government center and could not be challenged without disaster to Vienna, while the power of the conservative forces lay outside Vienna, and the conservative-dominated Coalition Government did not wish to intervene against it. In 1929 affairs had reached such a pass that the Chief of Police of Vienna was made Premier in an effort to deal with firmness and even-handed justice toward both factions. Almost immediately the peasant-industrialist-clerical group began to sympathize with a Fascist movement which now swept the ranks of their armed supporters in the countryside. An effort to put a stop to the endless quarrelling, by new laws forbidding possession of arms by private organizations, was openly flouted. Neither the Schutzenbund nor the Heimwehr trusted the other to disarm. A new Government, to which the notorious leader of the cause of Fascism was admitted and given control of police and military, was immediately followed on the part of the Social Democrats by preparations for civil war to resist his plans. By the end of another year, however, the general public had become weary of feud; and an attempted coup d'état, launched in 1931 by the Fascist-led Heimwehr, fell flat.

The success of the White Terror in Hungary during the

Autumn and Winter of 1919-20 left the old Magyar aristocracy powerfully entrenched at the controls of the State. The nation which had rejected first a Democratic Republic, and next a Communist dictatorship, declared itself a Monarchy in March, 1920. Horthy, a former Admiral in the Austro-Hungarian navy, became Regent, to care for the interests of the empty throne. Pogroms, murders, beatings, police suppression, rigorous censorship of opposition, and executions of political prisoners continued the order of the day, while monarchist plots, nourished by the lure of the empty throne, provided the country with a typical Balkan cue in policy. When the coup of Emperor Karl failed, shortly after the Magyar aristocracy had become ascendant, the Monarchists divided in a quarrel which produced three contending factions. All idea of a successful restoration by force having failed, Hungary set to work to engineer restoration by carrying her ambition into the realms of higher European diplomacy, with Archduke Otto, son of the former Emperor, the leading candidate.

Among all the Balkanized nations of Southern Europe few passed through more dramatic vicissitudes than Roumania. One of the victors on the Allied side, she had promised through her Government a liberal program of reforms to insure support during the war. The end of the war, however, brought a change of mind among her ruling interests, the Bratianu family, which filled a role similar to that of the "Mayors of the Palace" during the Dark Ages. This family, formidably intrenched in banking, industry and public utilities, had assisted originally in the creation of the Kingdom. During the war it had taken full charge of the affairs of the State while the royal family quarrelled. After the war the escapades of the heir to the throne, Prince Carol, scandalized Europe and provided the Bratianu dictatorship with an opportunity to get rid of an open opponent, which they seized. Carol was exiled; his rights of succession were given up; and his wife was divorced by government decree. The uncrowned rulers of Roumania had organized two political parties, which they played off one against the other. Through this device the Bratianus controlled the electoral machinery, the Parliament, and all major offices, which were

packed with their friends. Thus in 1927, Jon Bratianu, the Premier, was supported by 80% of the Parliament. But Roumania's private dictators made the mistake of misjudging the strength of public resentment among the peasants, whose demands for agrarian reform they had flouted; and in 1928 the National Peasants' Party mobilized a mighty host and began a march on Bucharest, demanding the expulsion of the Bratianus from power in the State. This threat cowed the Regency. The Peasants' Party took charge of the Government, announcing a program of democracy and reform, which was scarcely launched when Prince Carol landed from an airplane, proclaimed himself King, set aside the rulings of the regency, and assumed control of the State. To inaugurate his policy of strong personal rule, he proceeded almost immediately to quarrel with the National Peasants' leaders, and forced their chief from office.

Bulgaria emerged from the war in a state of political chaos of which a peasant party headed by Alexander Stamboulisky took charge in the name of public order. The "Green International" of which the Bulgarian peasant movement became the foundation, rapidly extended its influence throughout the Eastern Balkans, as an agrarian drive for power. The ex-Czar Ferdinand had fled and in 1919 the agrarian leader decided to arrest 400 former members of the Royal Government on charges of treason for taking Bulgaria into the war against the Allies. At the same time, he opened civil war on the Communists. These campaigns, conducted to an accompaniment of riots, arrests and murders, came to an end in 1923 when Stamboulisky himself was assassinated by reactionary and Macedonian opponents, whereupon young King Boris found himself face to face with a Communist agitation which reached a climax with the bombing of the Cathedral at Sofia in April, 1925. Scarcely had the Communists been put down by regular Balkan methods when the Macedonian revolutionists forged to the front to occupy Bulgaria's attention with more violence.

Greece, the Southernmost state in the Balkans, had won large additions of territory in the war at the expense of the beaten Ottoman Empire; but when the rising strength of the Turkish Nationalists under Kemal challenged the Treaty of

Sevres Greece began, late in 1919, to gird herself for more war. The Treaty of Sevres had been concocted by the Allied Powers in a porcelain factory at one of the most famed of all French glass manufacturing centers. Under Mustapha Kemal's blows it was soon reduced to fragments and Greece was deeply involved in a disastrous war which ended in her defeat and the loss of all territory she claimed in Asia Minor. King Constantine had led her into this military adventure; he was accordingly dethroned in September, 1922. His son, George II, who succeeded him, fared no better, being expelled the following year. Greece, therefore, divided into two armed camps, with the Monarchists in one and the Republicans, led by Eleutherios Venezelos, in the other. In March, 1925, the Republicans obtained the upper hand, abolished the Monarchy, and instituted a Republic. This was upset in 1926 by a dictatorial coup headed by General Pangalos, a personal adventurer. Six months later General Pangalos was thrown out, and the Republic reappeared. These kaleidoscopic political changes, which were accompanied by turbulent uproar all over Greece, came to an end in 1928, when the veteran Republican leader Venezelos returned from retirement and revised the electoral system so as to weight the balances in favor of the Republican cause.

IV

"Boil, Cauldron . . ."

The diplomatic thrust and parry of Austria-Hungary and Russia in the Balkans had eventuated in the worst war known to European history; but in the period which began when that war was ended, the deadly game was resumed as France and Italy succeeded to the roles of Russia and the Hapsburg Empire.

Italy, her new dictator determined to endow her with the Imperial grandeur of Ancient Rome, turned after 1922 to press her demands in the Mediterranean basin and in North Africa. One of the first moves in the evolution of this policy

carried her into the Balkans, where she sought to penetrate the ancient overland route to Asia. Thus began the greatest of all post-war intrigues in Europe. France, who blocked Italian territorial designs in Africa, offered immediate resistance to Italian penetration in South Europe, strengthening alliances with Czechoslovakia, Roumania and Jugoslavia. Thereupon the fight came into the open, and to all the neighborhood and domestic wrangles in the Balkanized area were added the excursions and alarums of this new, supervening battle for advantage.

Since 1923 Rome had been watching the rise of Ahmed Zogu in Albania and cultivating his friendship for her purposes. The Pact of Tirana, signed November 27, 1926, bound the two nations in a military alliance and served to throw the Balkans into an uproar. Jugoslavia, which France had tied to her chariot of alliances, broke relations with the Albanian capital and the League of Nations was drawn in to settle the dispute. Though relations were resumed, the feud developed steadily. France sent military advisors into Jugoslavia and inaugurated a policy of military preparations aimed at Albania and, through Albania, at Italy. Italy retaliated by lending support to the Croatian cause in Jugoslavia and shipping military supplies, engineers and experts into Albania. As the contest developed border incidents multiplied, and exchanges of notes grew fast and furious.

By the Treaty of Tirana, Albania had been reduced to the status of an Italian protectorate and converted into the spearhead of Italy's Balkan penetration policy. The dictator at Rome next moved to the rear of Jugoslavia, effecting alliance with Bulgaria which was sealed in 1930 by the marriage of King Boris to an Italian princess. Next began a campaign for rapprochement between Roumania and Italy. France hastily retorted by reshaping her Roumanian relationships. Italy then turned to Hungary; but by this time the financial and economic troubles of Europe had thrown Hungary into economic jeopardy, of which France quickly took advantage. The pro-Italian Premier of Hungary was forced from the office he had held

during a decade, and at the price of a French loan the foreign policy of Hungary was brought into the orbit of French desires.

The struggle between Austria-Hungary and Russia, in the pre-war Balkans, had quickened a naval race among the Central Powers and the Allies. The contest between France and Italy for control of the Balkans and domination of the Mediterranean fostered the same result. By 1928, their armament competition attracted world attention. In 1930 it all but wrecked the London Naval Conference and both Powers refused to enter into the resulting treaty.

V

Efforts Toward Order

In spite of internal and neighborhood quarrels, and notwithstanding the continual interference of outside Powers, leaders of several Balkan states undertook during 1929 to assess prospects for a federation of the nations in the region as a means of bringing order and peace. From the unlikely quarter occupied by the Macedonian Revolutionaries, one such plan had been urged as a way to coöperation and the solution of many of the major difficulties troubling Balkanized Europe. This plan, which called for an organization somewhat resembling the United States, failed of acceptance for the reason that no nation holding territory claimed by the Macedonians was willing to consider its surrender and the creation of a new Balkan community from among the fragments.

More promising as a step toward solving the Balkan problems was the federation scheme put forward by Greece in 1930. This program envisaged a thoroughgoing system of coöperation in economic, social, health, cultural, commercial and political fields. It provided a permanent Balkan commission on which all nations in the region were to be represented, and called for annual meetings at the various capitals. Its object was the ultimate creation of a Balkan League for the maintenance of peace. Such a program presupposed an end to the

manœuvrings of Franco-Italian Imperialistic policies in the area. By the Autumn of 1931 it was made plain that neither France nor Italy intended to withdraw; and the hopes that blazed high in 1929 guttered low as Jugoslavia and Albania exchanged fiery insults over the conference table.

BOOK THREE

WWW

THE STRUGGLE WITH DISUNION

16 · SOME STAGES IN LEAGUE EVOLUTION

THE Covenant of the League of Nations represented the sole concession made by the Peace Conferees at Paris to the future; but this concession they viewed from entirely different standpoints. While President Wilson sought to rivet the Covenant to the Peace Treaty, as a prescription for the future remedy of that Treaty's glaring iniquities, his opponent, M Georges Clemenceau, agreed only that the Peace Treaty be riveted to the Covenant, as a vehicle for the further strengthening of the Treaty in operation. And this was an entirely different conception. The champions of the old diplomacy accordingly spared no effort by restriction, amendment, elimination, and by the use of skillfully inclusive phrases, to adapt the Covenant to their purposes.

It was to reinforce the thesis of the Treaty, to be an agency presiding over the reconstituted past, which the Treaty itself exalted. It was to perpetuate the conception of Europe remorselessly detailed in the Treaty clauses. Pursuing this view, M Clemenceau proposed to round out his conception by providing in the Covenant for a military force incomparably larger than that of any nation in existence, to be under the direction of the League directorate consisting of the principal Allied Powers; but President Wilson rebelled so heatedly against this proposal to superimpose international militarism upon national militarism that the scheme was dropped.

To champions of militaristic nationalism the idea that the League of Nations could be instituted as a supervening dictator over unborn tomorrows, deriving its policies from their own as set down in the Treaty of Versailles, seemed entirely realis-

tic. What place had the hopes of the multitudinous dead in a jostling world, where the policies of states, however euphemistically expressed, take form and substance solely from the desire for profitable advantage of those controlling them? So the Covenant was devised; and the two conflicting viewpoints were woven through it; and the protagonists of each believed they had triumphed. But while the Treaty sprang from a philosophy of negation, the idea of the Covenant had been sired by spiritual affirmations as old as ancestral life. Accordingly, as efforts to perpetuate the denial sped the entire Continent of Europe along courses of enigma the League, hobbled and fettered, began an unpromising struggle to escape its shackles into wider freedom of action. The League became the Faust in the international drama.

The Council of the League, which was to hold the throttle of decision on all major activities, was already determined by the Covenant when the new world society made its bow upon the international scene from a series of organization meetings in 1919. Great Britain, France, Italy and Japan occupied four of the five permanent seats; the other, held open for the United States, was rejected. Of the four non-permanent seats, one was assigned to Belgium—a French ally.

Thus, at the outset, the Council majority was in effect the voice of the Treaty's most powerful advocates. This was natural enough, since these European states had played the leading roles on the Allied side. An increase in the number of non-permanent seats in 1922, to six, was followed in 1926 (on the admission of Germany to the League) by an increase in the permanent seats to five and in the non-permanent seats to nine. The Council was entrusted by the Covenant with the task of dealing with disarmament; checking military aggressions among League members by intervention and appeasement if possible, through sanctions if not; solving international disputes involving members and non-members; and receiving reports from the Commission on Mandates.

The Assembly, in which member states have one vote and the privilege of not more than three seats, received from the Covenant authority to deal with all matters pertaining to

League activities or threats to the peace of the world. Its authority was limited to discussion, resolutions, recommendations, since the Council was vested with the power of primary action. The Assembly was instituted as an advisory and deliberate body, without the power to enact laws but with control over the League budget, the selection of non-permanent members of the Council, admissions, and the election of justices to the Permanent Court of International Justice at The Hague. The Assembly established six standing committees to handle its activities in political, social, technical, budgetary, admission and armament questions.

The third body within the League was the Secretariat, the Secretary General being Sir Eric Drummond, an Englishman, who was named in the Covenant as the first permanent secretary. Choice of his successor was left to the Council. The Secretariat included all the staff organizations of the new world society, its bureau personnel, study committees, and the permanent employes.

While the powers with which the Covenant clothed the Council were extensive, the first years of the League's existence witnessed little or no development of Council authority. The foreign offices at London, Paris, Rome and Tokyo remained cool toward League deliberations, alert only to assure themselves of the veto power they possessed over its activities. Councils and conferences of Premiers and Ambassadors continued to deal with the affairs of Europe in full accord with the traditions of the old diplomacy, as if the League did not exist. Though the Assembly gradually took on the character of an international forum, the Council, obedient to orders from the real masters of power, applied the brakes and postponed action wherever the Assembly threatened to push any issue into conflict with the theories of the past.

In 1923, when the Corfu incident occurred, the helplessness of the League before defiance from its own members was illustrated by Italy's successful flouting of League authority and by the final settlement of the important issues involved in accordance with Italy's ultimatum. The League was compelled to hand the question over to the Council of Ambassadors for

adjustment. Not until election overturns in England and France threw from office the advocates of nationalistic reaction, in 1924, was there any genuine movement in evidence looking toward the development of the prestige of the League at Geneva in its handling of primary international problems. Premier Ramsay MacDonald of England and Premier Edouard Herriot of France were responsible for this change. Their enthusiastic labors bore fruit in the Geneva Protocol, in which an attempt was made to face some of the long-evaded and pressing issues—notably the problems of disarmament.

The Geneva Protocol, approved at Geneva October 6, 1924, proposed to give the World Court jurisdiction over all types of legal disputes among nations mentioned in the Court Statutes; required all states in the League to accept the Optional Clause (which bound them to judicial verdicts in their differences) and directed the League Council to follow four stages of peaceful endeavor for settlement of non-legal quarrels, holding sanctions and coercion in final reserve.

The Protocol died, owing largely to the return of the British Conservative Party to power in England. The new British Foreign Minister administered the death blow in the Council shortly after he took office. But the key log had been released from the jam. The world-wide discussion that accompanied the Protocol on its brief career, and the advent of the Dawes Plan, added to the prestige of Geneva and opened new paths. MacDonald and Herriot had inaugurated a practice of going to Geneva as Prime Ministers. Other European Premiers and Foreign Ministers followed suit, to confer on mutual problems, to discuss and attempt settlement of national differences. This practice, once begun, grew formidably; and by 1925 Geneva for the first time since the establishment of the League assumed international importance to half a hundred nations.

The League's authority had not been tested since the painful experience of Corfu; but in 1925 an active dispute between Greece and Bulgaria provided new opportunity. Geneva intervened, ordered an end to the fighting, and created a commission for settlement of the quarrel and assessment of dam-

ages. The verdict was accepted and Greece paid Bulgaria heavy reparations. Enhancement of the League's prestige due to this affair was enormous, especially among the smaller Powers on the Continent of Europe. Admission of Germany to membership in 1926 strengthened it still more, for now the entire European family, excepting Russia, held membership in the world society.

Thenceforth the machinery of League activities increased rapidly and League commissions multiplied. During the early years of weakness the Assembly and Secretariat had busied themselves in zones of action in which they were relatively free from collision with the policies of the greater Powers. Financial rehabilitation of Austria and later, of Hungary, was undertaken through commissions established under League auspices. Before a decade had passed League activities of this type would be represented by the floating of nine reconstruction loans, totaling $400,000,000, affecting Austria, Hungary, Greece, Bulgaria and Esthonia. Again, following the conclusion of the peace between Greece and Turkey at Lausanne, the League supervised the exchange of populations between these two nations—in accordance with a mutual agreement to repatriate the nationals of each living in the other's territories. In 1926 the economic disabilities of European trade from discriminations in commerce and tariffs launched the Geneva organization upon a course which resulted in the World Economic Conference in May, 1927. Tariff discussions failed of important results because national policies were in vigorous collision; but no fewer than thirty nations joined in an endeavor to effect a tariff truce in 1929 under League auspices.

The elan imparted in 1924 had also mobilized the Assembly against further dilly-dallying in the Council with the study of disarmament, with the result that the Preparatory Commission on Disarmament was created and began its sittings in 1926; but as this problem swiftly involved the policies of the great Powers, progress was hampered at every turn.

The practical value of the Secretariat, because of its steady accumulation of facts bearing upon all international problems, now began to attract authorities from all over the world to Geneva as a center of information and research which

had no parallel elsewhere. Governments felt it desirable to keep in close touch with the League headquarters since it was becoming possible to find out there with dispatch about matters nowhere else covered by such masses of relevant data. So the "Geneva atmosphere" slowly became a fact and the League assumed an interest which related not alone to periods during which its major bodies were in session but other times as well. Conferences on world labor problems, on commercial accords, on intellectual coöperation, on agriculture, finance, and a dozen and one other matters, occupied the Geneva stage successively. The formulation of the Briand-Kellogg Pact launched a struggle within the League to close gaps in the Covenant's provisions against war. Discussions begun in 1925, looking toward schemes for European unification, received their first official recognition in September, 1929, at the Tenth Assembly of the League, when M Briand, the Foreign Minister of France, announced his intention of submitting a plan for a "United States of Europe" to all European members.

The League was developing its chief influence along lines little imagined by its original proponents, who had wished a League to Enforce Peace, or its opponents, who had feared a supergovernment. It was beginning to emerge as a sounding board of world public opinion, and to develop "the conference method". The fact that Foreign Ministers and Premiers of great Powers began to meet at League Assemblies gave them an opportunity, in the atmosphere of Geneva, to discuss and settle their differences informally, without necessarily using the League machinery. World public opinion, and "the conference method", did not provide absolute guarantees against wars, but they did give a strength to the peace movement it had never possessed before.

M. Briand's union plan bred trouble as a formidable conflict of national policies was involved. True to the thesis of Versailles, M Briand strove to develop his project upon a political base, ignoring economics. Inasmuch as this meant the perpetuation of the Europe of the Peace Treaty, under French supervision, the scheme provoked blunt criticism from almost all twenty-six nations queried. League members aligned them-

selves into pro-French and anti-French groups. Finding no way out of this dilemma, M Briand committed his plan to the "innocuous desuetude" of a study committee.

The World Court, an important subsidiary organ of the League clothed with powers of semi-independence, faced similar difficulties. Like the League, it made notable progress in minor matters and steadily accumulated an excellent record in secondary settlements by judicial decision. But major issues brought into it at once the poisonous influence of nationalistic contentions. Following the Peace of Lausanne, the Court recognized the demands of Great Britain and awarded her Turkey's oil fields in Mesopotamia. Turkey was not a member of the League; England was. Again in September, 1931, when Europe was struggling with financial difficulties, the Court followed the behest of French politics, handing down an adverse eight-seven decision on the question of the proposed Austro-German Customs Union. The political alignment of the majority, representing France and her allies, drew sharp criticism from the minority. Once more the philosophy of Versailles had illustrated its dominance.

The Assembly, which the great Powers viewed in 1920 as a harmless debating society, had by this time evolved into a powerful sounding board for world opinion. So the policy supporters in Europe moved upon the Assembly to improve their hold upon its commissions. Nevertheless the League Commissions were becoming increasingly bold. One of these that had hitherto been most docile, the Mandates Commission, administered a shock to the whole of Europe in 1930 when, following a ferocious quarrel between the Arabs and Jews in the Palestine Mandate of Great Britain, it administered a public call-down to the greatest colonial power on earth.

Growth of influence in the Secretariat, and the increasing outspokenness of the Assembly, increased the struggle within the League between the two opposing views implicit in the Covenant. As yet, no issue of first importance involving two of the more formidable members of the Geneva organization had arisen. In 1929, when Russia and China quarrelled over China's attempt to seize the Chinese Eastern Railway of which

Russia was half owner, the United States had taken the lead in reminding both that they were signatories of the Kellogg Pact, thus forestalling League intervention. But during the last days of Summer, 1931, when Japan and China, both League members, quarrelled in the same region, the Council members were forced into action by alarm about their own national interests as well as by the mandate of the League Covenant.

The decision of the United States, custodian of the Briand-Kellogg Pact outlawing war, to associate itself with League action in this problem, advanced the authority of Geneva to a point hitherto never attained, but the importance of the quarrel at the same time threw into jeopardy the whole structure of the League by raising questions as to the usefulness of all peace commitments formulated during the post-war era.

At last the League of Nations was on trial for its life. The nature of the case, and the logical conclusions of the stand it attempted to take in aligning world opinion against Japan, did not escape the attention of the forces of extreme nationalism in Europe, particularly in France. Immediately the reactionary press assailed the Council for pursuing a course which one day, it was urged, might bring into question the validity of the Treaty of Versailles. Japan insisted that she stood upon treaty rights deriving from the famous Twenty-one Demands imposed upon China in 1915; while China pointed out that these demands had never received the sanction from a Chinese Parliament, and had been repudiated by the Chinese National Revolution. China challenged Japan's armed invasion as violative of the Kellogg Pact. Japan maintained that unilateral treaties were as sacred as mutual treaties. When the League directed her to withdraw her troops from the zones to which she had advanced them in Manchuria, Japan refused flatly and forthwith enlarged the area of her occupation.

As the weeks passed, the alignment against Japan grew clearer, while the intransigeance of the Japanese grew more stubborn. In addition to becoming embroiled with China, and with the League, Japan next collided with Soviet Russia, whose

sphere of influence her military invaded in an attack upon an opposing Chinese Manchurian army, November 18, 1931. Thereupon Japan informed the League Council of her intention of asserting what would be in effect a protectorate over Manchuria. The representative of the United States, General Charles G. Dawes, Ambassador to Great Britain, immediately threatened to invoke the Nine Power Treaty of the Washington Arms Conference in which Japan had guaranteed to respect the sovereignty and the territorial and administrative integrity of China.

The issue of good faith among nations in respect of treaties thus advanced to the forefront of the dispute. Japan had resisted the wishes of the League Council as expressed by a thirteen-to-one vote; she had resisted the invocation of the Kellogg Pact; she had invaded Russia's zone of influence in Manchuria. The United States aligned itself with the League for the preservation of the post-war peace machinery, but acted as an independent collaborator rather than as an official associate when it became evident that the League Council and the arrayed forces of public opinion had no immediate effect upon Japanese purposes and policy. The possibility that Russia might be drawn into the imbroglio aroused latent anti-Soviet animosities among the more powerful of the League members, who preferred to modify their opposition to Japan rather than find themselves too definitely committed to a view which Russia might be found to share along with them. So the League retreated, attempting to cover the failure by the creation of a study commission as Japan demanded. China, who had placed her case in the League's hands as the Covenant required, began to lose favor in the Council, turned to the boycott and ordered compulsory military training in her schools. The first great test of the League's peace machinery had found the divisive power of distrust greater than the cohesive power of mutual peace interests.

17 · THE ROCKY ROAD TO DISARMAMENT

I
From Versailles to Washington

BY the terms of the treaties of Versailles, Neuilly, Trianon and St. Germain, stringent limitations were placed upon the armaments and fighting forces of the defeated nations in Europe. In the case of Germany, the military, naval and airforce clauses of the Versailles Treaty were severe to the extreme, their purpose being to render her incapable of any important war activities in the future. Her army was restricted to 100,000 men; her navy was reduced to six battleships, six light cruisers, twelve destroyers and twelve torpedo boats; she was forbidden possession of any submarines as well as any war aircraft, military or naval. To compensate for these drastic impositions the Treaty writers promised that Germany's limitation, if faithfully observed, would be followed in due course by limitations upon their own armaments. "In order to render possible the institution of a general limitation of armaments of all nations," the Treaty declared, "Germany undertakes strictly to observe the military, naval and air clauses which follow." In further reiteration of this promise, Article Eight of the Covenant of the League of Nations stipulated: "The members of the League recognize that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety, and the enforcement by common action of international obligations. The Council, taking account of the geographical situation and circumstances of each state, shall formulate plans for such reduction

for consideration and action by the several governments."

These pledges marked the beginning of the long struggle with the question of disarmament following the war. As time passed and passions cooled slightly and the pressure of debt and taxation bore down with crushing weight upon all Western nations, a strong public opinion emerged and grew vocal with demands that the orgy of armament expenditures be curbed.

The victors in Europe were quite unready and unwilling to move toward the execution of their pledges. Accordingly they proceeded to stratagems of delay and evasion. In May, 1920, the League Council sought perfunctorily to find a sop for public opinion through the creation of a Permanent Advisory Committee consisting exclusively of military, naval and airforce officers which was directed to examine the question. As had been intended, the report of this body was entirely negative. The cobblers refused to abolish leather. Far from quieting the clamor for relief, this manœuvre drew a storm of protest from the League Assembly which, being the more popular body in the League, was closer to the currents of world opinion than the Council. Accordingly in 1921 the Assembly attempted to advance the question by organizing a Temporary Mixed Commission. This body consisted of twelve politicians, six military, naval, and airforce officers, four financiers and economic experts, three representatives of labor and a similar number of delegates representing employers. Again the resistance of the central governments thwarted progress and the Temporary Mixed Commission became bogged in futile debate. The Council, speaking for the prime movers of nationalistic policy, then blandly suggested that nothing be done whatever; and nothing was. But the fight had come into the open.

The first genuine move to relieve the world public of some of the colossal burden of armament expenditures came not from the League of Nations but from the Government of the United States. In June, 1921, Senator William E. Borah of the Senate Foreign Relations Committee introduced an amendment to the naval appropriations bill urging a World Conference to effect reduction of naval expenditures and building programs. Responding to this suggestion—which was approved

by Congress—President Harding invited the leading naval Powers of the world to meet at Washington to examine the problem; and accordingly on November 21, 1921, Great Britain, Japan, France, and Italy were represented by delegations as the Washington Conference on arms limitation convened.

The United States was in a unique position to assert leadership in the struggle with this great problem. She was rich; her resources were more formidable at the moment than those of any other nation; and she was rapidly executing a naval construction program which within a very few years promised to place her ahead of the greatest naval Power on the seas, Great Britain. On the other hand, the remaining four large naval Powers were laboring under grave financial difficulties due to the dislocations of the war and the economic confusion of the peace. For them to compete seriously with the American building program was almost entirely out of the question. They all knew, moreover, that an attempt to do so would merely result in an expansion of the program beyond their power to follow.

The American Government did not fumble the opportunity to halt naval competition. Secretary of State Charles E. Hughes, as chief of the delegation for the United States, electrified the somewhat dubious gathering on the opening day of the Conference by presenting a detailed plan in which the United States offered to abandon its program for the construction of capital warships, to junk a number of dreadnaughts already built, to cease operations on others under construction, and to accept a limitation plan for this category of fighting ships—provided Great Britain, Japan, France and Italy would make like concessions.

This startling proposal reverberated across the world. The five great Powers had spent in excess of $16,442,251,000 on armament during the preceding year, for land, sea and airforces. This was at the rate of $52 per capita. The United States had appropriated $13,187,368,000 to cover its total war expenses—or at a rate of $128 per capita. The argument for the American plan did not therefore require elaboration to bring it home to the world public. Its practicality at once de-

veloped an enormous pressure of opinion. Several months of arduous labor and close bargaining followed at Washington, with the result that a ratio of 5-5-3 was applied to capital ships by the United States, Great Britain and Japan. France and Italy accepted a ratio of 1.67 each. This meant that the two greatest naval Powers had adopted the formula of equality in capital warcraft, that Japan had accepted the proposal that she have three great warships to five for the United States and Great Britain, and that Italy and France accepted equality in a lower category in the same type of warcraft.

Under the agreements resulting, the capital ship strength of the Five Powers for the period of the Treaty of Washington was established as follows:

	Number built	*Tons extant*	*Total tonnage 1942*
United States	18	525,850	525,000
Great Britain	20	558,950	525,000
Japan	10	301,320	315,000
France	9	221,170	175,000
Italy	7	182,800	175,000

The final status of capital ship armament under the agreement among these Powers was to be as follows:

	U. S.	*G. B.*	*Japan*	*France*	*Italy*
Battle cruisers with 13.4" guns or larger	14	20	10	3	0
With 12" guns	4	0	0	6	7

The agreements allowed a distribution of aircraft carriers as follows:

	Tons extant (approx.)	*Final status in tons*
United States 3	78,700	135,000
Great Britain 6	104,490	135,000
Japan 3	63,300	81,000
France 1	21,160	60,000
Italy 0	.....	60,000

A total of seventy ships of this capital class, representing 1,644,839 tons, was to be eliminated among the three leading naval states. The distribution of this "junking" was to be as follows:

	Ships built to be junked	*Ships building to be halted*	*Tons*
United States	19	13	842,380
Great Britain	22	0	447,750
Japan	12	4	354,709

The final session of the Washington Armament Conference was held February 6, 1922, when five treaties were signed. These included a Five Power Naval Limitation Treaty (covering capital ships and aircraft carriers) which put an end to the perilous competition that had developed during the previous eight years. The principle followed was to create a mutually acceptable balance at a figure below previous intentions. A Nine Power Treaty put an end to China's quarrel with Japan over Shantung and guaranteed among all signatories respect for China's territorial, economic and administrative integrity and sovereignty. Another Five Power Treaty established rules for the safety of merchant ships in time of war. A Four Power Pact among the United States, Great Britain, France and Japan, established a new balance of forces in the Pacific area, and provided for consultation among them in case of dispute. This Treaty applied the brakes to an exceedingly dangerous situation which had developed between the United States and Japan, following the close of the World War. Attempts at the Conference to limit or abolish submarines failed, owing to the impossibility of reconciling French demands in tonnage with British wishes. France insisted that she needed 90,000 tons of underseas warships. This represented a tremendous increase in her submarine fleet over what she already possessed. The British at once countered with the declaration that they would require absolutely free hand in the building of destroyers. This dispute became acrimonious and the issue of submarine limitation had to be dropped, together with the whole question of possible limitations upon

cruisers of 10,000 tons and less. Eight years later, this latter phase of the naval armaments question would reach partial adjustment at the London Naval Conference.

II

The League Struggle

Despite the strong impetus given the cause of armament limitation and reduction at the Washington Conference in 1921-22, efforts to advance the issue in the League of Nations continued to meet insuperable opposition until 1925 when the Assembly once more forced the Council into action. This time the Council established the Preparatory Commission for the Disarmament Conference. The Preparatory Commission was made up of representatives of nations sitting in the Council, together with delegates from Finland, Poland, Roumania, the Netherlands, the Kingdom of the Serbs, Croats and Slovenes, and other states. It is important to note that Poland, Roumania, and the Triune Kingdom were French allies. Russia and the United States, though not League members, were invited to coöperate. Russia, whose delegate to a League Conference the previous year had been assassinated, and his murderer acquitted by the Swiss courts, decided to remain aloof. The United States accepted the invitation; and the Congress appropriated $50,000 for expenses of nine delegates who were present when the first meeting opened May 15, 1926, at Geneva.

From the beginning, the Preparatory Commission found itself faced by internal dissension and external distrust. Fear, jealousy, and policies of unbitted nationalism played the roles in the struggle which now opened. France, already devoted single-mindedly to the doctrine of Versailles, proposed to allow no move to be made which might deflect or impair the logic of the course she had adopted and was pursuing. Her central thesis was the security of the status laid down in the treaty; her first corollary under that thesis was the security of herself, through the development of the implications of the Treaty.

Consequently the meaning of "security" was to be expanded until it represented a concept steadily widening in range. With her allies, she mustered a majority on the sub-committees appointed by the Preparatory Commission.

So the complicated chess game began with a discussion, which lasted three solid weeks, concerning the meaning of the word "armament". The American, British and Swedish delegates contended that armament meant the organized army, navy and air forces of a country, with the material and installation actually in existence. The French contended that armament meant all arms, comprising military, naval and air strength and resources, together with financial, industrial, and mineral resources, strategic location of a country, its geographical position, its population, railways, agriculture, livestock, weather conditions, educational institutions and the like. By a majority vote the French definition was adopted.

Similarly the French carried by majority vote their view that the proper way to limit and reduce armaments was to limit and reduce military expenditures; that all arms must be considered as a single unit; that trained reserves must be excepted from any consideration in the disarmament discussion. The American delegation urged that naval reduction be developed by further extension of the ratio system worked out at Washington; that each naval category be measured by the number of ships in it; and that limitation by reduction of expenditures failed to allow for the difference in labor and materials costs in various countries and was therefore impractical. Japan proposed that naval limitations be carried out by a combination of ratio and expenditures limitations. But France held forth the thesis that naval limitation could be achieved only by lumping each navy in total tonnage, limiting that total by agreement, and permitting any nation to build whatever ships within its allotment it saw fit. This discussion lasted three months. France added next the demand that nations having no navies at all—and no coast lines—be given the right to vote on all naval questions. Again the French controlled majority carried the program; but this time reservations multiplied thick and fast.

When the question arose of drawing up a scale of arma-

ments possible under a limitation agreement, France insisted that all the elements in a nation in times of peace must be considered in formulating the scale. Again the majority gave the French contention victory. To the question of the extent to which regional disarmament agreements might be worked out, France replied with a demand for definition of the word "region". She then defined a region as a Continent, together with all other states having naval power. In other words, the world, under this definition, was a region. Once more she carried her definition by majority vote.

On the question of the supervision of armaments limitation agreements, another dispute arose. The American delegation declared that the good faith of a nation that had recognized a treaty by signing it was the best guarantee. France insisted that any armament limitation or reduction agreement must be supervised by an International Commission, acting under the League, empowered to travel to any country at any time to examine its military and naval status and search for concealed war supplies.

At the end of the first session of the Preparatory Conference France and her associates proposed that only the views expressed by the majority be printed in the report; but the American chief delegate parried with a demand that all opinions of whatever origin be included that the future work of the Commission might have the benefit of a full survey of international opinion. This proposal broke the front of the French bloc and was adopted.

The year 1927 offered no interruption to the courses into which the Disarmament problem was being carried by the almost interminable discussion. A meeting during March and April ran upon the reefs of naval disagreement and events went rapidly from bad to worse. Russia had at last decided to attend the meetings and at the fourth session her chief delegate Litvinov attacked the whole proceedings as "purely decorative" and as deliberate evasion of the issues involved. He then offered the Russian program for disarmament, calling for complete abolition of armies, navies and war air forces, together with the destruction of all documents and records of war and the

elimination of all war and navy departments the world over. The scheme, he urged, should be effected by a direct 25% reduction annually, the objective to be reached by the end of the fourth year. His proposal was promptly tabled.

In the meantime, the United States Government had grown increasingly anxious to get the question of secondary naval forces settled. On February 10, 1927, President Coolidge requested that a Conference of the five naval Powers be held in conjunction with the meeting of the Preparatory Commission at Geneva to see what could be done. The idea behind the American proposal was to extend the system of capital ship limitation by ratios to cruisers and other warcraft. But the Conference met in an atmosphere of distrust, and speedily swept into a general quarrel. At the outset, France had rejected the invitation to be present, declaring that the proposed meeting was an infringement upon the authority of the League, a blow to the independent rights of small nations, and an assault upon the work accomplished to date by the Preparatory Commission. Italy, which was at the moment pressing France in naval competition, followed the French and refused to attend. This left the United States, Great Britain and Japan.

The British, irritated by the submarine controversy with France, were in no mood to develop further the policy which the United States had inaugurated at Washington in 1922. At that Conference, the largest sacrifices had been made by the American Government; but on the question of cruisers, the major sacrifice, if any were made, would have to be offered by England. So Great Britain insisted upon maintaining a tremendous cruiser tonnage, and suggested that if the United States desired parity she build up to the British figure. But to do that the United States would have been obliged to throw huge sums into a type of ship unsuited to American needs. The dispute waxed acrimonious and the Conference ended in complete fiasco. The breach between the land and the sea Powers was widened, and the two greatest naval Powers in the world became bitterly estranged.

Early in 1928 the Conservative party in England, which had been watching the growth of European coolness toward

the United States, decided to take advantage of this atmosphere and accordingly negotiated a secret naval treaty with France. Under its terms, France was to support the British thesis on naval limitation at all future disarmament meetings, while England promised to lend support to the French when it came to land armaments reduction discussions. This deal, uncovered by a newspaper correspondent, created a tremendous storm. The British Foreign Secretary was forced to offer an explanation to the Parliament. Public indignation in England grew. In the United States a corresponding uproar resulted. The American Government in September expressed vigorous disapproval of the treaty in a note to the British Foreign Office. This added to the intensity of public feeling in England against the treaty. Meantime the largest naval construction program since the war appeared in the United States Congress. It provided for a type of cruiser expressly objected to by the British Admiralty. In February this bill was enacted.

After the unhappy experience of its three sessions in 1927, the Preparatory Commission of the League had lost no little prestige. The will to disarm was as absent from Europe as the will to limit. France and Italy were struggling furiously against each other. Rome and Paris were hurling thinly veiled accusations. The French Chamber of Deputies authorized a five-year program calling for the construction of fortresses, defenses, underground military camps, concealed batteries, and subterranean railways along the entire French frontier, from the North Sea to Luxembourg, from Luxembourg to the Alps, from the Alps to the limits of the Italian border. Military expenditures continued to grow. These expenses, compared with the pre-war figures, were as follows:

	1913	1929	% of change	% in pre-war dollars
Russia	$500,178,800	$473,380,500	— 5.3	—47.1
Germany	489,700,000	158,559,500	— 67.2	—76.4
United Kingdom	391,266,000	560,421,275	+ 43.2	+ 4.5
France	274,896,000	432,552,400	+ 57.3	+26.9
United States	264,895,000	692,399,804	+161.4	+89.4
Italy	142,200,000	238,479,565	+ 67.7	+40.9
Japan	95,115,550	242,667,310	+151.1	+49.2

Germany's increasing complaints over the failure of the Allies to make any progress toward carrying out the pledges laid down in the Versailles Treaty were heard with indifference; and the meetings of the Preparatory Commission stirred international wrath and ridicule, as the delegates wrestled with arguments about the effect of fog on war, split hairs about the allowances to be made for hogs in considering a nation's armament, and examined the history of international weather.

III

The London Conference and the Disarmament Program

The status of the disarmament problem as 1929 opened was thus completely negative and apparently hopeless. On the 30th of May, however, an election in England effected a sudden transition from despair to hope. The British Labor Party won a resounding victory at the polls, largely because of public dissatisfaction over the snarl that had been created in Anglo-American relations by the Geneva naval fiasco and the affair of the secret treaty with France. In July the Briand-Kellogg Pact outlawing war, after long and slow progress covering several months of negotiation, received final ratifications and was promulgated with impressive ceremonies at Washington, where a new Administration with a new attitude on foreign policy now held office.

Early in April the views of the Hoover Administration on the controversy with England were set forth by Mr. Hugh Gibson, American Ambassador to Belgium, in an address before the Preparatory Commission. This quarrel, together with the Franco-Italian feud, had brought all progress in the Commission meetings to a dead stop. In view of the suggestion of Mr. Gibson that a new formula be sought to resolve the difficulties in the naval question, the Commission recommended that the naval Powers reëxamine the whole problem in the light of altered circumstances; and after a summer of negotiations between Washington and London, Premier Ramsay MacDonald visited President Hoover in October, 1929, to seek

agreement on some common basis for procedure. The result was a naval Conference among the five leading sea Powers, which opened at London January 21, 1930. The differences between the Americans and the British on the cruiser question were there removed by a compromise. The United States had sought cruiser parity with Britain at about 300,000 tons, each nation to be permitted to build the types of cruisers it considered best suited to its needs. Thus, for the United States, 10,000 ton cruisers with eight inch guns were desired, owing to paucity of naval bases, long coast lines, and the peculiar defensive problems confronting the American nation. Great Britain on the other hand preferred smaller cruisers, with six inch guns, and had declared at Geneva in 1927 that she must have not less than seventy of them. Her preference for smaller cruisers was due to the distribution of her possessions and the great number of naval bases she had established all over the seven seas. But while England demanded small cruisers, and was willing that the United States build up to the parity line in this type of ship which was unsuited to American naval needs, England was not willing to accept equality of total tonnage at 300,000 and permit the United States to build mostly 10,000 ton cruisers within that figure. The 10,000 ton cruiser was as unsuited to British needs as the light cruiser was to American needs; and England did not wish to concede a superior striking power to America under any limited category.

This knotty problem was solved by an agreement as follows: England reduced her cruiser demands to fifty ships of approximately 339,000 tons, thirty-five of them to be six inch gun cruisers, the remainder to be in larger sizes. England was allowed superiority in the small cruiser type. On the other hand, the United States was to be given superiority in the 10,000 ton type, the number of ships to be built being determined by tables worked out at the London Conference. The upshot of this was that the United States obtained the right to build eighteen eight inch gun 10,000 ton warcraft, and 143,500 tons of smaller cruisers, while England was given the right to construct fifteen large and 192,000 tons of small cruisers. Japan, the

third largest Power in terms of sea strength, accepted twelve cruisers of 10,000 tons and 100,450 tons of smaller craft.

In addition to these agreements, which laid down limits in cruiser construction and settled the question of competition by eliminating it, the London Conference also extended the holiday in capital ship construction which had been begun by the Washington Conference. Aircraft carriers were redefined to include ships under 10,000 tons. An "escalator clause" was inserted in the agreements, which permitted signatory states the right to exceed their established levels should new construction by nations not signatory threaten their security. Finally, a new set of rules governing surface vessels was adopted.

The London Conference was not free from the misfortunes that had overwhelmed its forerunner, the Geneva Conference. France and Italy both agreed to participate at this new meeting, though neither had been present at the earlier one. From the hour when the Hoover-MacDonald conversations began, France had been worried by fear that some arrangement detrimental to her advantage was being framed. Accordingly, on December 20, just prior to the convening of the London Conference, she had issued an official memorandum to all naval Powers declaring that the French navy must be commensurate with French needs and that unless and until more security was offered France in the form of pledges of aid in war, France could not consider reduction. Furthermore, the memorandum reiterated the French thesis that land and sea armaments were closely interrelated and should be considered as a unit.

All the political questions raised by this memorandum were ignored at the London Naval Conference during its early deliberations, but they found instant response from Italy, with whom France was racing in naval construction. The consequence was a sharp quarrel between France and Italy at London. In an effort to bring France into the treaty, the American delegation studied the security demands put forward by Paris. When it became apparent that the French desired to commit the United States morally, if not actually, to an alliance, the study was dropped precipitately and the demands for security put forward by France were rejected. France and Italy were

thus left at swords points; and neither signed the pact which thus became a Three Power Naval Treaty among the leading naval nations.

The achievement of the London Conference was considerable; but the continuing dispute between the two Latin European states threw a cloud over the outcome. Within two months after the conclusion of the London meeting, both were intensifying their quarrel, matching appropriations as closely as they could, and bickering furiously through their respective press organs.

While the London Naval Conference was in progress, the League of Nations' Preparatory Conference, which had adjourned to permit adjustment of naval differences among the Great Powers, met once more at Geneva on May 6. At this meeting, trained reserves were finally barred from all future disarmament discussions in accordance with the French demands, direct limitation of war materials was abandoned in favor of publicity, a second and sharply modified Russian plan for armament reduction was rejected. In November, 1930, the discussions resumed and the preparation of the long awaited Draft Treaty for the Disarmament Conference was completed. Thereupon the Council of the League set February 2, 1932, as the date for the world's first general Conference on Disarmament and invited all nations to send delegations to Geneva for the meeting. Later, during the Autumn of 1931, a modified one-year truce on naval building to cover the period of the Conference was adopted among upwards of a score of nations.

The Draft Treaty, presented as the basis for the Disarmament Conference at Geneva, was a skeletal agreement covering limitation and reduction of land, sea and air forces. In its final form it carried an immense burden of reservations which had been entered by various states during the long discussion since 1926. No less than thirty-two states, including all the important countries on earth, had filed these exceptions to the program. Germany, Great Britain and the United States refused to accept the majority verdicts, as registered in the Preparatory Commission meetings, on trained reserves. A fundamental dispute about the practical utility of budgetary

versus direct limitation remained unsettled. Similar differences of view ranged through all the important sections of the Draft Treaty provisions.

Viewed broadly, the Draft Treaty as finally drawn represented but the basis for general negotiations and discussions by the Disarmament Conference itself. Clashes of national views as to definitions, methods and procedure remained. In addition to technical difficulties, a swarm of political issues hovered over the program—the Franco-Italian feud, the demands and refusals of demands for revision of World War treaties, the march of radicalism in German politics, the question of equality. In addition to these, a number of preliminary negatives and vetoes hung over the Conference because of an official memorandum issued by the French Government in June, 1931. That document, sent to Geneva, reiterated the French thesis that disarmament of France could proceed no further until more security was given the French nation through direct pledges of armed assistance in wartime.

8 · NEW PHASES OF AMERICAN FOREIGN POLICY

I
On Her Own

UNTIL the advent of machine industrialism, the ordinary American paid little attention to his country's foreign policy, save during moments of stress—such as he crisis which evoked the Monroe Doctrine more than a entury ago; the dangerous conflict of interests with England uring the Civil War; the Emperor Maximilian's ill-fated rench adventure in Mexico; the flutter about Venezuela under leveland's Administration. Even though the Spanish War car-ied America to a new role of World Power, the average citizen carcely noticed it. Indeed, he found little to interest him nportantly in the one zone where his Government seemed to e in almost chronic difficulty with outside states: Central merica. Between the time when political manœuvrings by he Roosevelt Administration paved the way for the building f the Panama Canal, and the provisional adjustment of Ameri-an disputes with Nicaragua under President Coolidge twenty ears later, he insisted upon considering the endless forays and prisings along the Isthmus as trivial and somehow undeserving f concentrated thought. If his Government had a dispute with Mexico, no matter. Those Mexicans were always fighting with omebody. Perhaps, sometime, it might be useful to go down nd straighten the mess out; but not now. One of the things nation had was a foreign policy. One expected it. But it was eally more or less of a bore.

"Who cares about abroad" was the American's classic quip

in the matter. And he was right. Busy about the conquest of a Continent and later with the task of sowing the land with industries to meet the growing demands of the American public, he could afford to shrug his shoulders and turn back to questions more insistent and alluring than those of the outlander. Europe—and Asia—he knew of vicariously, through their humble, unofficial ambassadors, the immigrants, who poured in over his doorsill year after year. He travelled abroad but little. Why should he, when adventure and thrills galore awaited him at home? Both beckoned from an ever Westward-pushing frontier where hopes for fortune offered endless invitation.

This attitude represented, oddly enough, a reflex view of foreign policy as his own Government saw it as well. It was largely a policy of patchwork and day to day makeshifts. Accretions came by accident, by force of circumstance, not infrequently as a result of the sheer good nature of the American public. So in 1888 the American felt irritated with China and proceeded to slam the door of exclusion against her by law; but in 1900, when his Government decided to hand back the Boxer Indemnity to China for educational purposes, he applauded. Such an act flouted international traditions and embarrassed every Foreign Office in Europe, where there was no precedent for giving back cash indemnities wrung from the vanquished at the point of the bayonet. All this served merely to intensify the applause the ordinary American gave his Government. It ran on all fours with the American legend of self-sufficient, independent decision. It pleased him to see other countries following—even if reluctantly—his own nation's lead in such matters, just as it had made his grandfather happy to read the fulminations delivered by the "godlike Daniel" in the Senate against Hungarian tyrants.

There his interest lagged. The show at home was much more exciting, infinitely more challenging to his attention and abilities. He preferred it. American foreign policy, more or less in agreement with him, continued on its prosy way, accidental, hit or miss, shaping its concerns to the requirements

of the moment and to the philosophy that home-keeping hearts are happiest.

The World War for some time was fitted into this old frame of policy. The European adventure was adjudged an epic episode—a "great crusade" perhaps. Nothing more. It could not alter the fundamental popular conviction of an almost exclusive interest in the home scene, any more than the opening of the China trade in the eighteen forties had altered that view; or the war with Spain on the South Atlantic doorstep. So the Treaty of Versailles was rejected as this ancestral American instinct mustered a frail majority; and attempts continued to go on as before.

It was becoming a difficult task now, as the thumping Senate fight over the Versailles Treaty had indicated. Something was happening in the home scene that foreshadowed changes in the offing. Though the anonymous American lost in the mass could not put his finger on the cause, he nevertheless was slowly becoming aware of its existence. The World War had torn the old structure of things to pieces in the outside world. It had also forced the pace in industrialism pellmell at home. The old predominance of country over city, which had been a fact so long that it had come to be accepted as final, was now less of a Medic law. Industry grew, Goliathlike, and sucked populations from the land to municipal margins. In 1919 Mr. J. M. Keynes, the English economist, had written in "The Economic Consequences of the Peace": "The forces of the 19th Century have run their course and are exhausted. The economic motives and ideals of that generation no longer satisfy us; we must find a new way and must suffer again the malaise and finally the pangs of a new industrial birth." Keynes was a prophet; but since he remained during most of the next decade without honor not alone in the British Foreign Office but equally in every European Chancellory, Americans could be pardoned for an even longer delay in recognizing the accuracy of his prophecy as it applied to themselves. True to her traditions the United States had refused to participate in the division of the spoils at Paris. True again to her historic willingness to be generous, and to recognize

facts, she had agreed to scale down the Allied debts owing her, when the time came to place these upon a suitable new basis. She interested herself in peace treaties, pacts and armament reduction because, like all the rest of the world, she was tired of war and restive under the charges of military and naval establishments. Besides, she had never liked armaments anyway—save individual armament on the frontier and farm. Every naval appropriation proposal in a century of her history had produced a national controversy, the only exceptions being those advanced in time of war or against direct challenge. When such came, she met them by going to the other extreme and undertaking to "beat all creation". Her interest, as the rank and file saw it, continued to derive from the old ideal of a self-contained national economy which could weather along well enough on its own.

This outlook persisted and became a renewed conviction as post-war quarrels sprang up in Europe and as the great American business boom got under way in 1924. It seemed sound. With all the rest of the world floundering in troubles, America was triumphantly prosperous. Harassed Europe looked with amazed astonishment across the Atlantic, and sent streams of observers to ferret out the secret. Was not this the proof of the pudding?

II

The Flight from Isolation

Unfortunately it was not; and a growing body of public opinion was aware that expedients which had served admirably in dealing with outsiders while America was passing first through the agricultural stage and later through that of a more or less self-centered developing industrial state, would no longer serve her interests adequately now, as she entered the new phase represented by an enormously equipped industrial society devoted to the theory of mass production. Even as the older conception drifted along, it was slowly grounding upon a reef of new facts.

Between 1915 and 1922 the United States had been trans-

formed from a debtor nation into a creditor state. Between 1922 and 1928 her surplus capital had flooded out into the far corners of the earth to the tune of nearly $15,000,000,000. Between 1915 and 1928 the United States had forged to the front as the possessor of the greatest national wealth of any nation in existence; her authority as a money center was tremendous; her external trade had risen in volume until it approached that of the great British Empire. In 1910 American exports and imports had been valued at $2,834,000,000; in 1928 they were worth $9,640,000,000. The United States had taken position as the largest holder of gold in the world; and maintained that position. Her credits had become the key to the economic rehabilitation of Europe. Her participation, official or unofficial, had been found essential to every attempt to untangle the Gordian knot of Reparations—in the Ruhr quarrel, in the Dawes Plan, in its successor the Young Plan.

Though the implications of these facts of post-war change found no political majority to espouse them in Congress, they had already stirred the interest of a host of economists, educators and publicists throughout the country. At the close of the great war one of the first signs heralding change in the public mind came from the American press, which discovered that public interest in foreign affairs not only did not diminish but grew steadily in volume. So foreign news of a kind hitherto generally ignored began to receive space and attention. The frayed romances of "the crowned heads of Europe" gave way before demands for news dealing with foreign policies, politics, economic struggles, social and cultural information concerning the lives of the masses abroad.

Institutes of Politics, of Foreign Affairs, of Latin American Relations, of Pacific Relations, appeared at the universities and were established as annual forums for discussion of world topics. In 1925 a New England newspaper inaugurated weekly radio broadcasts on foreign affairs during ten months of every year. The Foreign Policy Association multiplied its membership and units all over the country. Regular weekly and monthly magazines dealing exclusively with the vicissitudes of the outside world ventured timidly forth and found a welcome.

Americans, first by the thousands, later by the hundreds of thousands, began to travel all over the seven seas; they descended upon Europe in hosts.

In the domain of politics the older conception of an America going her own way remained in control of the State Department as the first post-war decade sped. The Secretary of State left unopened communications from Geneva—or he left them unanswered, which amounted to the same thing. Unavoidable left-over tangles from the World War period were handled gingerly. In September, 1920, when Mr. Roland Boyden was appointed to sit at the Brussels Financial Conference, he was designated "an official observer". The same thing happened in the instance of the Aland Islands Conference a month later. "Unofficial observers" continued in a steady stream during the whole of the Harding Administration and later under President Coolidge. The American Government was unofficially present at transportation, customs, Greek Refugee, and other conferences abroad; between the day when the Treaty of Versailles became operative—January 10, 1920—and the adoption of the Dawes Plan, the United States maintained an observer on the Reparations Commission. When the Dawes Plan required a Director General of Reparations payments at Berlin, an American was given the position; but his government hastily explained that this was a private and personal matter, between him and Europe.

The effect upon American foreign policy of these accumulating practices did not emerge strikingly until the advent of the Hoover Administration following the elections of 1928; and only with the arrival of the great economic depression from 1929 onwards did any surprised questioning arise about it in politics. Then, characteristically, America discovered not only Europe, but Russia as well; and just as bewildered Europeans had consumed much time and effort between 1924 and 1929 trying to fathom the mystery of American prosperity, now bewildered Americans began to devote attention, speeches and printed space to the Soviet Five Year Plan. Home-keeping hearts were not so happy when employment failed, and banks

collapsed. "Abroad", apparently, had something to do with stability.

Mr. Hoover himself had already pointed out indirectly part of the implications of America's new position, when in 1928 he declared that approximately 3,000,000 American families were dependent for their support upon American foreign commerce, while hundreds of thousands of other families obtained their livelihood from the manufacture of goods from imported materials. When, following his election, he set forth November 19, 1928, on a friendship tour of South America, he underlined the fact that a new era had been reached in America's world significance. The South American nations, with whom the United States had been engaged in intermittent wrangles during more than twenty-five years past, had become so important to American commercial well-being that a change of policy toward them now impended. In another fourteen months that change would be enunciated officially by a revision of the Monroe Doctrine which pruned away all the additions and extended interpretations that had been attached since the days of the Panama Canal coup. The Monroe Doctrine, as the new Administration explained, was henceforth restored to its original function and purpose as a statement of friendship and coöperation for mutual security. This move was accompanied by measures for the permanent evacuation of Haiti, restoring that little island Republic to its independence; and by resistance to the endeavors of a politically-distraught President of Cuba to obtain American intervention.

American foreign policy was shifting its base. The flight from isolation was well under way—commercially, financially, and in the headquarters of Government Policy. Congress remained uncertain or unconvinced, however, and in the Spring of 1930 enacted the Smoot-Hawley Tariff Law. This legislation, which the President approved for political reasons despite the public protest of 1,028 of the nation's most eminent economists, scientists and financiers, levelled a deadly blow at the country's vast foreign trade. It threw up barriers to imports higher than any ever dreamed of hitherto in tariff history. Its influence upon the foreign relations of the United States be-

came apparent without delay, and disclosed, more clearly than any other post-war episode, the inter-relation of foreign policy and commerce. It emphasized, emphatically and at once, the powerful relationship existing between American and world economies. Tariff reprisal acts were passed against American trade by Canada, Australia, Germany, France, Egypt, Switzerland, Spain, Portugal, the Baltic States, Jugoslavia, Japan and generally throughout South America. A year later Great Britain followed suit.

American foreign commerce, which stood at $9,640,000,000 in value at the time the Smoot-Hawley bill was enacted, fell during the remainder of that year to $6,904,000,000. In 1929 America's combined imports and exports during January and February were valued at $1,667,000,000. During the first two months of the next year they had fallen to $1,351,000,000. During the first two months of 1931 this value collapsed to $732,000,000—or less than 50% of the 1929 figure.

Undoubtedly falling commodity prices and surplus production of various basic commodities throughout the world contributed heavily to this decline in trade. The United States was not the only sufferer. But every reprisal act was passed after bitter denunciations of the new American law. As the months wore on, and the shrinkage continued, there was no escape from the fact that America's loss had been aggravated by her tariff tactics. The creditor of the world, she had closed her doors to repayment in services by building up two new barriers to immigration during the post-war period. Her possession of the largest part of the world's gold supply made it impossible for her debtors to repay her in gold. Her tariff wall now made it all but impossible for them to repay her in goods. There was no recourse left them save one—to borrow in America the money they needed to pay America; this plunged them all swiftly into a swamp of debt and financial instability and helped to produce an impartial disaster.

The various factors pertinent to such processes, and the weight of the depression, accordingly speeded the breakdown of the old habit of trying to keep thought in America in exclusively national compartments. Political leaders who had praised

the Smoot-Hawley Bill in the Spring of 1930, became less enthusiastic in the Spring of 1931 as the debacle grew. As revolutions burst upon India, Portugal, Spain, Brazil, Paraguay, Bolivia, Peru, Argentina, and political overturns followed in Canada, Australia, Jugoslavia, Roumania, Austria, and Finland, the warning grew clearer. Grave domestic threats against the internal stability of Germany, Cuba and Italy, and a dangerous exacerbation of relations between Russia and the outside world, heralded with growing clarity the fact that the world was knit together in a web of essential economic unity, whatever politics said.

A nation's foreign policy is derived from the nature of that nation's world interests; and America's world interests were now enormous. By the end of 1930 her foreign investments stood at $15,700,000,000; by the close of November, 1931, they totalled approximately $17,000,000,000 in industrial property, securities, and short term credits. The growth of the British Empire in the 19th Century had been a corollary of foreign policy; the growth of pre-war Germany was reflected by and in a developing foreign policy; so with pre-war France also. Since the war, the wreck of that older policy in England's case, and the defeat, revolution and the Treaty in Germany's, had left both floundering. Attempts by the British Government to reorganize the relationships of the Empire lent emphasis to this. In America finance and industry began to insist that a policy be evolved which would cover the new interests and responsibilities of America's new position, as represented by huge investments and $10,000,000,000 in governmental debts. The problem had become one of reconciling two outwardly conflicting but actually complementary facts: one, that the essential nationalism which every nation must retain if it is to keep its character and serve the genius of its own ideals; the other, the inescapable unity among members of a world group bound together by common interests, economic, cultural, financial. One of the chief, if not the outstanding reasons for the progressive decay of Europe following the Armistice, had been the rejection of this dual reality in the Peace Treaty.

In the three belts of policy, three ideas were in collision, complicating the task of collaboration in the political field; but as the crisis of 1931 descended upon the Western world, the belief that coöperation was possible, even among such contrasted ideas as Communism, Social Democracy, and Individualistic Democracy, began to displace the older notion that all three must remain at swords points. Russia had been learning at the school of realism; so had Europe; so had America.

The Rapidan Conference between Premier MacDonald of England and President Hoover in October, 1929, had brought official Europe to America. When, in June, 1931, Germany tottered, America officially and powerfully admitted her new world position and responsibility through the Hoover moratorium. The new phase of American foreign policy now smote public attention. In July the American Secretary of State, Mr. Henry Stimson, conferred at Rome with the Italian Government. Five days later he and the American Secretary of the Treasury were at Paris. On July 19, both participated in full official capacity in the London Conference, where representatives of seven nations sought to halt the financial collapse of Europe and to devise a plan for strengthening Germany. On July 25, Mr. Stimson was at Berlin. On October 5, Premier Pierre Laval of France arrived at Washington for a conference with the American Chief Executive. Two weeks later he was followed by the Italian Foreign Minister, Signor Dino Grandi.

Isolation had dwindled. The necessity of finding ways by which the recuperative forces of the world could be liberated from the grip of depression, and rescued from the impending avalanche of financial disaster; the need for repairing the world's trade fabric; above all, the close and exact relationship between financial power and European conditions, had been brought home to the United States, whose banks held $600,000,000 in short term credits which Germany was unable to pay. With her commerce at a low ebb, with a $17,000,000,000 investment stake in the outside world, with billions in unpaid Government debts in question, the United States turned her face to new responsibilities. Scarcely had she

done so, when the embroilment of Japan and China in Manchuria added a weighty political issue to the scales of trouble, threatening the whole structure of world Peace Treaties, throwing into jeopardy the Nine Power Treaty of the Washington Conference, the Kellogg Pact, the League of Nations. With this cloud sweeping up the horizon, American foreign policy faced a grave decision. Should it coöperate with the most thoroughly organized peace agency in Europe, which was weak, or should it once more "go on its own"? On October 15, 1931, the Hoover Administration compromised: while retaining full freedom of action and the right to independent decisions, it decided to coöperate as far it could with the League at Geneva.

Isolation had become a polite fiction.

19 · EPILOGUE

I

THE Summer of 1931 was over; and Autumn fled swiftly to an accompaniment of confused alarums over three Continents, bringing again the anniversary of the Armistice.

Seventeen years had elapsed since the nations began the World War. A new generation, unborn when the last diapason of the guns died away on the Western front, had grown through infancy to childhood and on from childhood into youth, since the signing of the Treaty of Versailles. Long in their graves, Woodrow Wilson and Georges Clemenceau were becoming figures of legend; David Lloyd George, battered by time and broken in defeat, tottered along the background of political Europe like an incredible wraith; Raymond Poincaré walked his garden in Lorraine, or toiled in his study, peopling the solitude of age with volumes of reminiscence—massive, cold, argumentative, stubborn, defiant. And still the legacy of the Treaty moved on in its courses over the world.

Past and present were convulsively at grips in every nation. The future remained in obscure eclipse. Security had become more precarious as the battle of dead ideas with urgent necessities dragged on. The great tides of revolutionary unrest that had swept the ancient Bourbon-Hapsburg dynasty from existence in Spain together with seventeen other governments, during the preceding twelve months, continued to make across the earth as destitution spread, trade stagnated, and political

quarrels multiplied; leadership, chained to its dogmas, revealed neither capacity nor will for self-deliverance.

In the West the armies of the unemployed swelled slowly toward the 25,000,000 mark. One third of all Germany's industries were now at a standstill. The malady of depression was pushing up unemployment figures in France at the rate of 14% each week while Premier Laval's Government strove with dwindling majorities and resources to provide relief: France, like the United States, had piled up a Midas fortune of gold, and like the United States, was discovering its sterility. By January the jobless in France numbered in excess of 2,000,000. Drastic revisions had failed in England to reduce unemployment below 2,627,324; and now, as the effects of these reforms fled into the past, the situation failed to mend. The National Government, yielding to the insistence of a top-heavy Conservative majority in the Commons, embarked upon a frenzy of tariff building which exacerbated England's relations with neighboring Europe and provoked savage reprisals. The national income had fallen $2,500,000,000 below what it had been in 1929.

II

So December came, bringing a new succession of shocks to the impaired international structure, sharpening once more the lines of division that set off Asia from Europe and Europe from the United States. While the consequences of the Treaty had split and disabled Europe, Japanese Imperialism had availed itself of this opportunity to enlarge its dominion by attack upon the three Manchurian Provinces of China, defying the League of Nations. Vainly the Council of the League, in extraordinary session at Paris, sought to maintain the integrity of the Covenant and the obligations of the Pact of Paris, of which Japan and China both were signatories. Disunion in Europe, and political uncertainty at Washington, prevented the adoption of common measures of effective opposition to the Japanese adventure. So the League was forced into retreat, leaving behind it sadly impaired a peace machinery that had

been constructed during a decade of labors. This triumph of the militarism of conquest dealt a numbing blow to the Geneva organization's moral prestige and authority; and the stroke was emphasized almost immediately by complete overthrow of the advocates of moderation in Tokyo as the military faction swept over the wreckage of the Wakatsuki cabinet into full official control of the Japanese Government.

Simultaneously the confidence of revolutionary China in the efficacy and pledges of the League was shattered. Fighting a hopeless, desultory war against the efficient military machine of the Mikado's armies, China was thrown back upon herself. By mid-December the regime at Nanking was in complete disintegration and President Chiang Kai Shek's Government collapsed. China turned in disillusion from the path of moderate compromises to renew her energies in a swing to the political left and to effect rapprochement with Soviet Russia, as the Student Movement undertook to restore the revolution among the masses, to purge and strengthen the Kuo Ming Tang in radicalism, and to establish compulsory military training throughout the nation against the eventual war of Manchurian recovery. The dawn of the new year found China in complete disintegration as one cabinet succeeded another and the quarrel with Japan became more furious. On December 29, the Japanese forces drove the last fragments of the Chinese Nationalist troops from the Middle Kingdom; and by January 1, the conquest of Manchuria was complete.

In Japan the Chinese boycott was meantime creating havoc with industry, even while the confused state of war in Manchuria was stagnating Japanese economic interests in that quarter. Speculation forced the abandonment of the gold standard and carried Japanese finance to the verge of collapse. Impoverishment and hunger among the Japanese masses began to rumble audibly through the furor of patriotic excitement conjured by the militarists. Unremitting pressure of the United States against the Manchurian adventure had filtered hostility into the relations of these two countries; and Europe, though divided, refused to give sanction or countenance to the con-

quest. The pressure of the Chinese boycott strangled Japan's Asian trade so effectively that, by mid-January, home and mainland industries were threatened with collapse. Japan thereupon mobilized a huge naval squadron at Shanghai, issued an ultimatum to China demanding an end to the boycott, and on January 28 stormed the commercial metropolis of China. So militarism sat in the saddle in Asia; but its victories gave scant promise of an untroubled future for the Mikado's Empire.

The Manchurian episode had impaired the machinery of peace; it had divided East from West, it had plunged China into confusion; it had tainted Japanese foreign relations with new distrusts; and it had disclosed the condition of impotence to which dogged pursuit of the thesis laid down at Versailles had carried Europe. Nor did these complete its negative effects.

Soviet Russia had been stirred by new suspicions that an attempt was being engineered in the West to embroil her in war with Japan. Anxiety for the uninterrupted pursuit of the Five Year Plan, whose successful conclusion by the close of 1932 was now in sight, increased Russia's sensitiveness to the dangers she felt besetting her. So the Communist Government issued a new set of decrees designed to lighten the strain of industrial effort upon her working masses, to improve their living standards, and to strengthen their adherence to the cause of Communism. The work week was reorganized into less arduous form; the stagger system of continuous employment was abandoned; the food rations were enlarged; and the policy laid down during the preceeding Spring, governing wages, was carried further with the purpose of developing individual initiative through appropriate rewards. At the same time the Russian military system was overhauled; and redoubled energy was poured into the task of developing chemical, metallurgical and electrical resources. A new Five Year Plan was announced, to follow the completion of the first. To assure food supplies the Collective farm movement was hastened. To provide cotton for textiles, and explosives, the acreage planted was increased enormously. Russia announced that she proposed to keep the peace. Meantime she prepared for emergencies.

The same week which brought defeat to the League of Na-

tions Council at the hands of Japan, produced another shock, which was to have repercussions in Europe and Asia. On December 1, the Second Indian Round Table Conference at London came to an end, without achieving the goal that had been set when it convened three months before. The promises given the year previous by Premier MacDonald—for actual steps toward the establishment of modified Dominion status for India—remained unfulfilled, owing to dissension among the Indian delegates which was played upon skillfully by the British, and also to the blunt refusal of the Conservative majority in the British Parliament to countenance bold, genuine steps forward with this problem. Mr. MacDonald was accordingly thrown back upon promises. Once more he proposed committees of inquiry. Yet again he pledged England to a policy of eventual Dominion status for India. And Mahatma Gandhi again issued grave warnings, after which he set sail for home.

Events occurring simultaneously in that troubled land darkened the shadows lengthening over Anglo-Indian relations. A new Viceroy, Lord Willingdon, had taken office at Delhi. From him now issued new and drastic ordinances of suppression and forbiddance, aimed against the Indian revolutionaries and their non-coöperation program. Native leaders all over the country were listed for arrest. By the end of December when Gandhi landed at Bombay, the President of the All India Nationalist Congress was in prison, together with several other lieutenants of Gandhi. Shootings and mass arrests reverberated from the Northwest Frontier Provinces. Riots spread across the great peninsula. The violence of the more radical faction of the revolutionaries became intense. Gandhi made a final appeal to the Viceroy for modification of the decrees. He was rebuffed. Great Britain, declared the Viceroy, was prepared to deal with the non-coöperative movement with military force. The reply of the revolution to this was swift preparation for the renewing of the tremendous battle on a scale larger than before. On January 3, Mahatma Gandhi was arrested at Bombay by the British authorities and his imprisonment signaled the reopening of India's tragic struggle.

III

Affairs in Europe meanwhile were in greater flux than at any time since 1919. Although the new tariff policy of Great Britain was filling nations on the Continent with fury and resentment, its consequences to Germany were more marked than elsewhere, for to Germany this belated assault upon her export trade threatened new disasters. The gold reserves of the Reichbank had dwindled steadily, in spite of the agreement of the international bankers during the previous Summer to leave short term credits "frozen" until February, 1932. Financially crippled and industrially languishing, Germany was also tangled in a bitter and dangerous political feud. The most heroic efforts had failed to conquer the budgetary deficit. Unemployment passed the 5,600,000 mark, feeding the fires of public unrest. The triumphant onward march of the Hitler Fascist cause on the right, and of the Communist party on the left, bred increasing uncertainty and uneasiness. Early in December Hitler, filled with self-confidence by the victories recorded for the Fascists in provincial elections, went to Berlin and summoned the foreign correspondents, before whom he outlined the foreign policy of the Fascist dictatorship which he believed near. To this bold move Chancellor Breuning replied a week later. A formidable new set of financial and economic decrees was promulgated, ordering wage cuts in every occupation and industry throughout the Republic, reducing interest payments, rents and transportation rates, creating a dictatorship over commodity prices, and clapping new taxes upon the already staggering population.

Accompanying these decrees, which installed in Germany a dictatorship even more vigorous than anything outside of Soviet Russia, was an announcement that all criticism of the Government was outlawed, all freedom of the press rescinded, all rights of public assembly abrogated, and a promise to punish "with the iron hand" any political opposition, or the wearing of any uniforms or the flaunting of any symbols indicative

of such opposition. Hitler thereupon fled from Berlin to his safer haunts at Munich in Bavaria, where he prepared for the struggle scheduled to begin with the return of the Reichstag in February. Germany, he announced, would have no peace, no recovery, and no hope, until the Reparations tribute was repudiated and equality was granted her among the nations of Europe.

As this internal struggle grew, Germany's Government turned anxious eyes toward Basle, where an International Committee of Experts was once more studying her capacity to pay Reparations, weighing her request for a moratorium and attempting to map a program to be applied when the "credit freezing" operation ended in February and the Hoover moratorium expired the coming Summer. The Basle meeting ran true to precedent. France compelled strict adherence to the tenets of the Young Plan, thus preventing any recommendations for realistic attack upon the problem confronting Europe. The Committee accordingly reported along lines similar to those laid down in the Wiggin Report of the preceding Summer; and an international Conference on Reparations was called, as the year ended, to meet on January 25.

The proposed Conference was limited beforehand to makeshifts, which threw prospects into entire uncertainty. For Europe had received a sharp warning from the Congress of the United States that further reduction of debts owing the United States Government would not be considered; and that cancellation of those debts was out of the question entirely. During the protracted sessions of the experts at Basle, European Governments had attempted to press their view of an inescapable relationship between German Reparations payments due them, and payments on their own debts to America. France gave official approval of this view in a note to Washington, in which she declared that reduction of Reparations from Germany could be made only if there was an equal and simultaneous reduction in her debt to the United States.

IV

The American Congress, which opened it sessions during the first week of December, speedily made plain its complete hostility to any plans for the further lightening of financial burdens of Europe at the expense of American taxpayers. Asked by President Hoover to ratify the moratorium put forth the preceding July, and to reconstitute the Debt Funding Commission for the purpose of reëxamining the capacity of European debtors to pay their debts to the American Treasury, the Congress launched furious attack upon the unconstitutional procedure which the President had pursued in promulgating the moratorium without sanction of the House and Senate in official session. To the urgent demands from Europe that debts be reduced further or Europe would not pay them, the Congress replied by attaching a rider to the resolution approving the moratorium as a *fait accompli*. This rider closed the question of the debts by an enunciating of policy flatly opposed to reconsideration. The debates in the Senate and House of Representatives made it clear that Congress was far from convinced European nations were unable to pay annuities totalling in all some $250,000,000 to their creditor, so long as they could go on pouring billions of dollars annually into armament.

This official pronouncement let loose a storm of recriminations in the press of England and Continental Europe. It speedily threw the prospects for an immediate conference on Reparations under eclipse, as England and France wrangled over policy toward Germany and, finally, the idea of this conference was temporarily abandoned. In the United States the rebuff to European demands for further debt reductions won lively public support. The depression in America had reached grave dimensions. The hosts of unemployed were growing slowly larger. Panic expressed itself in sporadic runs on banking institutions here and there throughout the country. The imminence of tremendous new tax levies, the collapse of business, and the uncertainties of a presidential election year, all contributed to rekindle public dis-

trust of European adventures. Approximately $850,000,000 of foreign bonds, mostly in Latin America, had been defaulted, leaving their American purchasers financially stranded. Nearly $2,500,000,000 more, representing investments in Germany, was tied up. Another $2,000,000,000 was "frozen" at home in closed banks.

The United States faced a dilemma. Her commitments abroad had tied her destiny for good or ill into the pattern of world affairs; but her latest experience of that outside world had filled her with distrust of its good faith. As the events of the year had emphasized Asia's new withdrawal from Europe, so they underlined American disillusionment with both Europe and Asia.

Confronted by these divisions, befogged by political quarrels, shaken by universal trade war, and faced with a situation in Asia which grew daily more complex and ominous, the world turned to the New Year which was to bring the momentous Conference on Disarmament and the eighteenth anniversary of the beginning of the World War.

CHRONOLOGY

1912 Feb. 12: Fall of Manchu Dynasty in China
1914 June 28: Assassination of Archduke Ferdinand of Austria at Sarajevo
1915 Jan. 27: The Twenty-one Demands presented to China by Japan
1917 March 15: First Russian Revolution; Czar Nicholas abdicates
Sept. 16: Russia proclaimed Social Democratic Republic
Nov. 7: Bolshevists, under Lenin, seize power in Russia
1918 March 3: The Peace of Brest-Litovsk
July 18: Execution of the Czar of Russia and his family by Bolsheviks at Ekaterinburg
Nov. 1: Republic proclaimed in Austria
Nov. 7: Revolution in Germany
Nov. 9: Abdication and flight of Kaiser Wilhelm II
Nov. 11: Armistice halts World War
Dec. 14: Lloyd George Coalition wins British General Election
1919 Jan. 5: Spartacan Revolt in Germany
Jan. 12: Peace Conference opens at Paris
April 13: "Amritsar Massacre" in India
June 28: Treaty of Versailles signed
Sept. 10: Treaty of St. Germain signed
Nov. 15: Bloc National takes power in France
Nov. 27: Treaty of Neuilly signed
Dec. 23: Reform Act for India enacted by British Parliament
1920 June 4: Treaty of Trianon signed
July 5: Spa Conference

Aug. 14: Little Entente formed by Czechoslovakia, Roumania and Jugoslavia.
Dec. 16: World Court established as League Organ

1921 March 18: Treaty of Riga signed
Aug. 9: New Economic Plan proclaimed in Russia
Aug. 21: Murder of Mathias Erzberger in Germany
Oct. 18: Peace Treaty between the United States and Germany ratified

1922 Feb. 6: Washington Arms Conference ends
April 17: Treaty of Rapallo signed
June 24: Murder of Walter Rathenau in Germany
Oct. 19: Fall of Lloyd George Coalition in England
Oct. 28-30: Fascist "March on Rome"
Dec. 6: Irish Free State created by Act of Parliament
Dec. 20: Soviet Union of Socialist Republics proclaimed by fourteen Communist States

1923 Jan. 11: Invasion of Ruhr
June 12: Assassination of Premier Stamboulisky of Bulgaria
July 24: Treaty of Lausanne signed
Aug. 30: Corfu bombarded by Italian warships

1924 Jan. 21: Death of Lenin
Jan. 22: First Labor Government takes power in England
Feb. 3: Death of Woodrow Wilson
May 1: Greece proclaimed a Republic
May 11: Fall of Bloc National and rise of Left Bloc in France
June 10: Murder of Matteotti by Fascisti in Italy
Aug. 30: Dawes Plan signed at London

1925 March 12: Death of Sun Yat Sen, first President of China
April 16: Bomb explosion at Sveti Kral Cathedral, Sofia
May 5: Great Britain returns to gold standard
May 30: "Shanghai Massacre"

1926 May 3: British general strike begun
Sept. 8: Germany enters League of Nations
Nov. 27: Treaty of Tirana

1927 July 15: Abortive revolution in Vienna
Dec. 21: Italian lira stabilized on gold standard

1928 Jan. 16: Leon Trotsky expelled from Russia
Aug. 27: Kellogg Pact signed
Oct. 1: Russian Five Year Plan begun

Oct. 10: Chiang Kai Shek inaugurated President of Chinese Nationalist Republic at Nanking

1929 Jan. 1: Customs control restored to China
Feb. 11: Lateran Treaty signed at Rome
June 9: Second Labor Government in England
Oct. 3: Death of Gustav Stresemann

1930 Jan. 21: London Naval Conference opened
Jan. 26: India declares independence
March 12: Gandhi inaugurates Indian Revolution by march on Jalalpur
Nov. 12: First Indian Round Table Conference at London

1931 March 12: Germany announces Austro-German Customs Plan
June 21: Hoover moratorium proposed
July 14: Financial panic in Germany
Aug. 24: Resignation of British Labor Government
Sept. 14: Second Indian Round Table Conference opened at London
Sept. 19: Japan invades Manchuria
Sept. 21: Great Britain quits gold standard
Oct. 5: Premier Pierre Laval visits Washington
Oct. 27: British National Coalition sweeps elections
Nov. 21: Great Britain abandons Free Trade Policy
Dec. 3: Second Round Table Conference fails
Dec. 31: Japan completes seizure of Manchuria

1932 Jan. 3: Gandhi arrested—Indian Revolution renewed
Jan. 28: Japan attacks Shanghai

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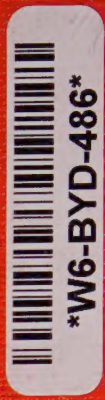
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